



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4257

DATE FILMED 11-29-57 CAMERA NO. 2

CAMERAMAN JmD

27043850002

OLDAKER, RYAN & LEONARD

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.

SUITE 1100

WASHINGTON, D.C. 20006

(202) 728-1010

FACSIMILE (202) 728-4044

March 27, 1995

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

APR 3 5 32 PM '95

Pre-MUR 313

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

RE: Direct Access Diagnostics

Dear Mr. Noble:

This letter is submitted on behalf of Direct Access Diagnostics (the "Company" or "DAD"), a division of Ortho Pharmaceutical Corporation. We are writing to notify the Federal Election Commission ("FEC" or the "Commission") of an apparent inadvertent violation of 2 U.S.C. § 441b that has been corrected by the Company and its employees. While we do not believe that the matter warrants any further action, we are advising the Commission of the circumstances and the corrective action taken. Should the Commission feel that any further remedial action is necessary, please advise us.

Background

DAD is a division of Ortho Pharmaceutical Corporation ("Ortho"), a Delaware corporation which is a wholly owned subsidiary of Johnson & Johnson, a corporation organized under the laws of the State of New Jersey. DAD has an active corporate charitable donation program. Since its inception in 1992, DAD has contributed to numerous nonpolitical organizations.

Although active in charitable giving, Johnson & Johnson was aware of the prohibition on corporate contributions and expenditures in connection with federal elections. Indeed, Johnson & Johnson's Policy on Business Conduct includes a section on political contributions. That policy precludes an employee, directly or indirectly, from contributing corporate funds to any political party, candidate or campaign unless such a use or contribution is an accepted and lawful practice. A copy of this policy is attached as Exhibit A.

Recently, it came to the attention of Johnson & Johnson that contrary to policy, certain political contributions made by employees and a consultant of DAD from their personal funds were reimbursed through business expense reimbursements. Johnson & Johnson immediately initiated the following steps:

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1. The employees and consultant in question were contacted to determine the extent of any such reimbursements.
2. The Chief Financial Officer ("CFO") of DAD conducted an internal review to determine all political contributions that may have been submitted for reimbursement or otherwise made directly by the Company.
3. The Johnson & Johnson Internal Audit Group conducted an independent investigation at the direction of the Johnson & Johnson Office of General Counsel.
4. The firm of Oldaker, Ryan & Leonard was retained to provide outside counsel and advice on necessary remedial action.
5. The Company obtained refunds of \$9,500 for federal contributions that had been submitted for reimbursement.
6. Steps have been taken, including providing additional training, to ensure employees are aware of Johnson & Johnson's policy and the legal requirement that no federal political contributions can be reimbursed under any circumstances.

The Internal Review

As noted above, DAD's CFO conducted a review to determine the extent of any reimbursement of federal political contributions. In the course of this review, the DAD contributions account, general ledger, and expense reports of all employees at DAD since its inception in 1992 were reviewed. A complete listing of all contributions, whether or not political, was compiled. This listing was then reviewed to determine which, if any, organizations were federal political committees. A summary of the review procedures and a complete listing of political and non-political contributions is attached as Exhibit B.

The Johnson & Johnson Office of General Counsel directed an additional independent investigation conducted by the Internal Audit Group. The audit group reviewed records held in Accounts Payable, including the vendor listings and check registers for DAD to locate any organizations to which contributions may have been made. Internal Audit's review confirmed that the listing of contributions compiled by the CFO was a complete and accurate listing. A summary of the Internal Audit Group's procedure is attached as Exhibit C.

Based on these reviews, we are confident that we have identified all contributions made by DAD or its employees or consultants which were subsequently reimbursed. A complete listing of

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the federal contributions is attached as Exhibit D. This listing shows the federal candidate committee, the amount of the contribution, the name of the employee or consultant who was the original contributor, the date of the original contribution, the date the employee was reimbursed by the company for the original contribution, and the date the employee subsequently refunded the amount to the company.

Based on the internal audits conducted, the Company has determined that a total of \$10,000 in federal political contribution was made by 4 DAD employees and 1 DAD consultant, and submitted for reimbursement. \$9,500 of this amount has been refunded to the company.¹ Complete documentation of these contributions, reimbursements and refunds is attached as Exhibits E through N.

The Company recognizes the gravity of corporate contributions in connection with federal elections. Management has taken this matter very seriously and is extremely concerned that these reimbursements could have occurred. In discussions with the individuals involved, however, the Company believes that the reimbursements occurred as a result of a misunderstanding as to whether reimbursement of political contributions was permissible, both under federal law and company policy, and certainly not because of any intention to violate the law. While the Company does not believe that internal procedures were fully followed in connection with these contributions, the Company has taken and will continue to take additional steps to ensure that all employees and consultants are fully educated on the law and company policy in the future.

Conclusion

We urge the Commission to conclude upon review of the supporting documentation that no further action in this matter is warranted. Pursuant to 2 U.S.C. § 437d(a)(9), the Commission has been charged by Congress "to encourage voluntary compliance" with the law. In this spirit, the Company has conducted a full investigation, obtained reimbursement from the employees involved (thus fully remedying any violation), and instituted additional measures to prevent similar mistakes in the future. The Commission has further recognized the need to focus its enforcement resources on those areas representing serious and recurring violations. Where a Company has become aware of a violation, taken immediate action to correct it and voluntarily brought the matter to the Commission's attention, the underlying goal of achieving voluntary compliance has been achieved and no further commitment of Commission resources is required. Under these circumstances, we do not believe that any further action by the Commission is warranted.

Exhibits B and C attached to this response include confidential and propriety information regarding DAD activities. We hereby request that these materials not be placed on the public

¹ One individual, who was reimbursed for a \$500 contribution, is no longer employed by the Company. She has been asked to refund the amount and we will forward follow-up documentation when it is received.

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Lawrence M. Noble, Esq.
Page 4

record at the conclusion of this matter. If they are determined to be discoverable under the Freedom of Information Act, we request that they be returned to me and not retained in the Commission's files upon conclusion of this matter. If you have any questions, or believe that further information is necessary to reach a swift final resolution of this matter, please contact me and we will be happy to obtain any information you need.

Sincerely,


Lyn Utrecht

Attachments
Exhibits A - N

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

APR 3 5 32 PM '95

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EXHIBIT A

POLICY ON BUSINESS CONDUCT

Johnson & Johnson

RALPH S. LARSEN
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER

NEW BRUNSWICK, NEW JERSEY 08933

November 4, 1994

Executive Committee and Corporate Officers
Company Group Chairmen
Vice Presidents Johnson & Johnson International
Domestic Presidents and General Managers
International Presidents and Managing Directors
Corporate Department Heads

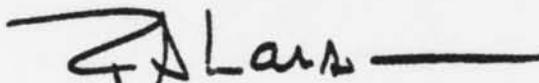
Policy on Business Conduct
1994 Certificate

The Policy on Business Conduct is an important part of the program to insure that our business practices meet the standards embodied in our Credo. Enclosed with this memorandum are the Policy on Business Conduct Certification materials for 1994. This Policy was amended last year to include some new sections, including the Johnson & Johnson policy on trade secrets. If there are any questions about your responsibility regarding the trade secrets of competitors, or any other aspect of our Policy on Business Conduct, please contact the General Counsel at (908) 524-2486 or at telefax number (908) 524-2788.

To provide continuing emphasis on the importance of abiding by the Policy on Business Conduct and assurance of compliance with it, we require a periodic certification of compliance with the Policy from each of you. We are asking this year that you complete the enclosed Certificate as part of your year-end closing and return it to the General Counsel by January 13, 1995.

Also enclosed is a copy of George Frazza's 1993 memorandum regarding compliance with document retention policies. Please be sure that this directive regarding the disposal of documents is in place in the business operations for which you are responsible.

I know you all join with me and with the Board of Directors in our continuing commitment to the ethical principles set forth in the Credo and the Policy on Business Conduct.



Ralph S. Larsen

maf

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POLICY ON BUSINESS CONDUCT

**Use of Funds and Assets
and Complete and Accurate
Books and Records;
Second-Country Payments**

Sales of the Company's products and services, and purchases of products and services of suppliers, shall be made solely on the basis of quality, price and service, and never on the basis of giving or receiving payments, gifts, entertainment or favors.

No Company funds or assets shall be used for any unlawful purpose. No employee shall purchase privileges or special benefits through payment of bribes, illegal political contributions, or other illicit payments.

No undisclosed or unrecorded fund or asset shall be established for any purpose.

No false or artificial entries shall be made in the books and records of the Company for any reason, and no employee shall engage in any arrangement that results in such prohibited act, even if directed to do so by a supervisor.

No payment shall be approved or made with the agreement or understanding that any part of such payment is to be used for any purpose other than that described by documents supporting the payment.

No payments of any kind (whether commissions, promotional expenses, personal expenses, free goods or whatever) shall be made to an unaffiliated distributor or sales agent (or employee or agent thereof) in any country other than that in which the sales were made or in which the distributor or sales agent has a substantial place of business. Such payments (sometimes referred to as "second-country" payments) may be made to other entities such as suppliers of goods and services provided:

-the laws of any involved country permit the payment and receipt of such "off-shore" funds, as determined in advance of any commitment by competent local legal counsel in collaboration with the Johnson & Johnson Law Department,

-the transaction complies in all other respects with this Policy on Business Conduct, and

-the arrangements are set forth in a letter of understanding between our Company and the outside entity, and these letters are available for review by our internal and outside auditors.

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The Presidents and Managing Directors of our companies have the primary responsibility to devise, establish and maintain an effective system of internal accounting controls, and to demonstrate that such controls are periodically appraised and documented. General guidelines relating to this appraisal function and documentation standards are available from the Vice President of Internal Auditing in New Brunswick.

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Conflicts of Interest

Every employee has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company or which divide his or her loyalty to the Company. Any activity which even appears to present such a conflict must be avoided or terminated unless, after disclosure to the appropriate level of management, it is determined that the activity is not harmful to the Company or otherwise improper.

A conflict or the appearance of a conflict of interest may arise in many ways. For example, depending on the circumstances, the following may constitute an improper conflict of interest:

-Ownership of or an interest in a competitor or in a business with which the Company has or is contemplating a relationship (such as a supplier, customer, landlord, distributor, licensee/licensor, etc.), either directly or indirectly such as through family members.

-Profiting, or assisting others to profit, from confidential information or business opportunities that are available because of employment by the Company.

-Providing services to a competitor or a proposed or present supplier or customer as an employee, director, officer, partner, agent or consultant.

-Soliciting or accepting gifts, payments, loans, services or any form of compensation from suppliers, customers, competitors or others seeking to do business with the Company. Social amenities customarily associated with legitimate business relationships are permissible. These include the usual forms of entertainment such as lunches or dinners as well as occasional gifts of modest value. While it is difficult to define "customary", "modest" or "usual" by stating a specific dollar amount, common sense should dictate what would be considered extravagant or excessive. If a disinterested third party would be likely to infer that it affected your judgment, then it is too much. All of our business dealings must be on arm's-length terms and free of any favorable treatment resulting from the personal interest of our employees. Loans to employees from financial institutions which do business with the Company are permissible as long as the loans are made on prevailing terms and conditions.

-Influencing or attempting to influence any business transaction between the Company and another entity in which an employee has a direct or indirect financial interest or acts as a director, officer, employee, partner, agent or consultant.

-Buying or selling securities of any other company using non-public information obtained in the performance of an employee's duties, or providing such information so obtained to others.

Disclosure is the key. Any employee who has a question about whether any situation in which he or she is involved amounts to a conflict of interest or the appearance of one, should disclose the pertinent details, preferably in writing, to his or her supervisor. Each supervisor is responsible for discussing the situation with the employee and arriving at a decision after consultation with or notice to the appropriate higher level of management. Each President, General Manager and Managing Director is responsible for advising his or her Company Group Chairman or International Vice President, as the case may be, in writing, of all disclosures and decisions made under this Policy. The Law Department in New Brunswick should be consulted for advice as necessary.

To summarize, each employee is obligated to disclose his or her own conflict or any appearance of a conflict of interest. The end result of the process of disclosure, discussion and consultation may well be approval of certain relationships or transactions on the ground that, despite appearances, they are not harmful to the Company. But all conflicts and appearances of conflicts of interest are prohibited, even if they do not harm the Company, unless they have gone through this process.

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Respect for Trade Secrets

It is the policy of Johnson & Johnson to respect the trade secrets and proprietary information of others. Although information obtained from the public domain is a legitimate source of competitive information, a trade secret obtained through improper means is not.

If a competitor's trade secrets or proprietary information are offered to you in a suspicious manner, or if you have any question about the legitimacy of the use or acquisition of competitive information, you should contact the Law Department immediately. No action regarding such information should be taken before consultation with the Law Department.

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Compliance with Laws and Regulations

Our health care business is subject to extensive governmental regulation throughout the world. The approval and sale of pharmaceutical products and medical devices is particularly heavily regulated, but many other aspects of our business are also covered by statutes and regulations.

Consistent with our Credo and business philosophy, it is the policy of Johnson & Johnson to comply with the laws of each country in which our companies do business. It is the responsibility of each company's management and employees to be familiar with the laws and regulations which relate to their business responsibilities and to comply with them.

The Law Department of Johnson & Johnson conducts periodic programs to help our companies and employees understand and comply with applicable laws and regulations and is available to your company for this purpose. Additionally, the Law Department is always available for consultation on the laws which relate to our businesses around the world. However, it is the responsibility of each company's management to ensure compliance with applicable laws.

If an employee has any question whether a transaction or course of conduct complies with applicable statutes or regulations, it is the responsibility of that employee to obtain legal advice from the Law Department and act in accordance with that advice. It is the responsibility of each company's management to ensure that employees are aware of their responsibilities in this regard.

Set forth below are several areas of regulated business activity that require particular attention.

1. Antitrust and Competition Laws.

It is the policy of Johnson & Johnson to comply with the antitrust and competition laws of each country in which our companies do business. No employee of the Company shall engage in anticompetitive conduct in violation of any such antitrust or competition law.

2. Environmental Laws and Regulations.

Johnson & Johnson is committed to conducting its business in an environmentally sound manner. In addition to carrying out the corporate wide programs the Company has initiated, management and employees are required to be familiar with environmental laws and regulations which relate to their employment responsibilities and to comply with them. This includes ensuring that reports on

environmental matters filed with government agencies or required by law to be published are complete and accurate.

3. Drug, Medical Device, Diagnostic, Controlled Substance and Consumer Product Safety Laws.

No aspect of our business is more subject to governmental regulation than the development, manufacture approval and marketing of our health care products. Because of the complex nature of many of these regulations, management must take particular care to ensure appropriate employees are aware of regulatory requirements and take necessary steps to comply with them.

4. Workplace Safety Laws and Regulations.

In the interest of maintaining a safe and healthy workplace, the Company requires full compliance with applicable workplace safety and industrial hygiene standards mandated by law.

5. Compliance with Securities Laws.

The Company is often required by the Securities Laws of the United States to disclose to the public important information regarding the Company.

An employee who knows important information about the Company that has not been disclosed to the public must keep such information confidential. It is a violation of United States law to purchase or sell Johnson & Johnson stock on the basis of such important non-public information. Employees may not do so and may not provide such information to others for that or any other purpose.

Employees may not buy or sell securities of any other company using important non-public information obtained in the performance of their duties. Employees may not provide such information so obtained to others.

6. Political Activities and Contributions

The Company encourages employees to be involved personally in political affairs. However, no employee shall directly or indirectly use or contribute funds or assets of the Company for or to any political party, candidate or campaign, unless such a use or contribution is an accepted practice and lawful in the country involved and is approved by the appropriate Company Group Chairman.

Responsibilities of Managers and Employees

All managers shall be responsible for the enforcement of and compliance with this Policy on Business Conduct including necessary distribution to ensure employee knowledge and compliance. The Board of Directors or other governing body of each affiliate company shall formally adopt this Policy as its own corporate policy binding on all directors, officers and employees of the Company.

Appropriate managers will periodically be required to certify compliance with this Policy. Any false certification -- even if directed by a supervisor -- will be dealt with severely.

All employees are responsible for complying with this Policy. Any employee having information concerning any prohibited or unlawful act shall promptly report such matter to the General Counsel or other member of the Law Department of Johnson & Johnson. While this is the preferred reporting procedure, employees should also feel free to report to anyone in line management, including the Executive Committee, Internal Auditing in New Brunswick, the Vice President, Finance, the Treasurer or the Secretary of Johnson & Johnson. It could also be appropriate to contact the Audit Committee of the Board of Directors through its Chairman.

Employees should be advised of this reporting obligation and encouraged to report any prohibited or unlawful activities of which they are aware. There will be no reprisals for reporting such information and employees should be so advised.

The Corporate Internal Audit Department has expanded its audit programs to include procedures that will assist in monitoring compliance with this Policy. The outside auditors will also be particularly alert and sensitive to such compliance. All employees are expected to provide full assistance and disclosure to both the internal and external auditors, in connection with any review of compliance with this Policy.

CERTIFICATE OF COMPLIANCE
With the
JOHNSON & JOHNSON
POLICY ON BUSINESS CONDUCT
For the Fiscal Year
1994

(To be returned by January 13, 1995)

From

To

Name _____
Title _____

The General Counsel
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933

I HEREBY CERTIFY:

1. I have read and I understand the above-captioned Policy.
2. The Policy has been disseminated within the companies or department(s) for which I have responsibility in a manner which, in my good-faith judgment, insures that all directors, officers and employees of such companies or department(s) understand their responsibilities under the Policy.
3. The companies or department(s) for which I have responsibility clearly recognize primary responsibility to devise, establish and maintain an effective system of internal controls and can demonstrate that such controls are periodically appraised and documented.
4. Except as described in a list attached hereto and signed by me, the companies or department(s) for which I have responsibility and all of the directors, officers and employees of such companies or department(s), to the best of my knowledge and good-faith belief, complied with the Policy at all times during the fiscal year indicated above.

I AM SIGNING THIS CERTIFICATE ON MY OWN RESPONSIBILITY AND NOT UNDER THE INFLUENCE OF ANY OTHER PERSON.

MANAGING EXECUTIVE

Sign _____
Print Name _____
Title _____
Date _____

Are there any exceptions?

Yes

No

If you have answered Yes, please attach a list of Exceptions to the Certificate of Compliance.

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February 16, 1993

Executive Committee
Company Group Chairmen
Domestic Presidents and General Managers
Corporate Department Heads

COMPLIANCE WITH DOCUMENT RETENTION POLICIES

Most Johnson & Johnson operating companies have document retention policies that call for an annual review of files to cull out and dispose of older documents in compliance with an appropriate record retention schedule. Documents that relate to litigations or investigations or inquiries by a governmental agency must be excluded from such routine document disposal. Accordingly, if your document retention policy does not already include an instruction to this effect, it must be modified and reissued with the addition of the following paragraph:

IMPORTANT: Our companies are sometimes involved in litigation or governmental inquiries which may result in subpoenas or other sorts of document requests. Compliance with such requests is required by law and the pendency of a litigation or governmental inquiry may therefore require the preservation of documents that otherwise would be routinely destroyed. Accordingly, you should verify that documents maintained in your files are not pertinent to any litigation or governmental inquiry before their destruction. If you have any questions about the matter, you must consult with the Law Department prior to implementing the document retention policy.

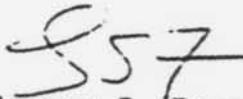
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If an operating company does not have a document retention policy, we recommend that one be adopted and implemented on a company-wide basis. The best way to institutionalize such a program is to schedule a specific day each year when all company employees set aside time to review and update their files.

The typical retention period for personal files (correspondence, memos, etc.) is for the current year plus the past year (for example, during 1993 an employee would maintain records dated after January 1, 1992). Records prior to this time should be destroyed unless they are specifically needed for active, ongoing matters. Some categories of documents, such as certain financial, regulatory, and quality assurance records, have longer retention schedules.

If you have questions regarding the appropriate retention schedule for particular types of documents, you should contact your management board attorney or record retention coordinator.

Thank you for your assistance and cooperation.


George S. Frazza

maf

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EXHIBIT B
STATEMENT OF HELEN HSU

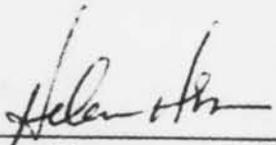
STATEMENT OF HELEN HSU

I am presently the Director of Finance of DAD. The following describes the procedures I followed in order to ensure that total political and non-political contributions by DAD were properly reported:

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With this process and the process followed by Johnson & Johnson Internal Audit who used other sources, I feel confident that we have reported total contributions. For each item listed in the spreadsheet, we incorporated a copy of the invoice, or check requisition, OBRA letters if we had, copy of the checks and any other information we had.

I hereby state under the penalty of perjury that, to the best of my information and belief, the foregoing is true and correct.

 3/13/95
Helen Hsu date
Director of Finance

97043850022

EXHIBIT C

STATEMENT OF JEFFREY L. ANTOON

STATEMENT OF JEFFREY L. ANTOON

The Corporate Internal Audit Department, under my direction, completed a review of 1993 and 1994 contributions and other related expenses of Direct Access Diagnostics (DAD). A summary of our work and audit methodology follows:

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I hereby state under the penalty of perjury that, to the best of my information and belief, the foregoing is true and correct.

Jeffrey L. Antoon 3/20/05
Jeffrey L. Antoon date
Audit Manager

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EXHIBIT D

SUMMARY OF INTERNAL AUDIT FEDERAL POLITICAL CONTRIBUTIONS

<u>Candidate/Committee</u>	<u>Contributor</u>	<u>Amount</u>	<u>Date Originally Made by Contributor</u>	<u>Date Reimbursed by Company</u>	<u>Date Refunded to Company</u>
Kennedy for Senate	Elliott Millenson	\$500	11/11/93	12/8/93	2/15/95
Kennedy for Senate	Margaret Blosser	\$500	11/12/93	12/1/93	*
Kennedy for Senate	Jim Barr	\$500	11/12/93	12/1/93	2/23/95
Kennedy for Senate	William Pagels	\$500	11/12/93	12/8/93	3/3/95
Harkin for Senate	Elliott Millenson	\$250	4/27/94	6/9/94	2/15/94
Friends of M. M. Mezvinsky	Elliott Millenson	\$250	10/3/94	10/1/94	2/15/94
Chabot for Congress	Elliott Millenson	\$1,000	10/25/94	11/2/94	2/15/94
Salmon for Congress	Elliott Millenson	\$1,000	10/25/94	11/2/94	2/15/94
Hastings for Congress	Elliott Millenson	\$1,000	10/25/94	11/2/94	2/15/94
Ehrlich for Congress	Elliott Millenson	\$1,000	10/25/94	11/2/94	2/15/94
Bilbray for Congress	Elliott Millenson	\$1,000	10/25/94	11/2/94	2/15/94
New American Century Fund	Elliott Millenson	\$500	2/24/94	4/27/94	2/15/94
Cal Victory '94	Bruce Decker	\$2,000	10/13/94	11/9/94	3/6/95

* Margaret Blosser, who was reimbursed for a \$500 contribution, is no longer an employed by the Company. She has been asked to refund the amount and we will forward documentation of the refund when it is received.

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EXHIBIT E

KENNEDY FOR SENATE

DIRECT ACCESS
DIAGNOSTICS

To: Mr. F. Campbell

November 22, 1993

Subject: Contributions made by Direct Access Diagnostics

Direct Access Diagnostics has made a \$2,000 contribution to the re-election of Senator Kennedy in 1994. The contribution was made up of 4 \$500 checks for seats at a dinner made individually by 4 employees of Direct Access. We are processing these checks through expense reports (2 of the 4 are attached). We realize this is not normal J&J procedure and have contacted Corporate's Government Affairs office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report.

Please process these as soon as possible ; if you have any questions give me a call at 253-6407.

Jim
Jim Barr

97043850027

60"
APC - this
pls see on called
Another Jim Barr to
ASM - Jim Barr!
N just Deb
358
\$500
\$1000

97043850030

1023

ELLIOTT J. MILLENSON

Number 11 1993

SE-25NJ
312

PAY TO THE
ORDER OF

Committee To Re-Elect Senator James G. McGreevey

\$ 520.00

Five hundred and 00/100

DOLLARS

National Westminster Bank NJ

Phuket Office
Route 202-208 South, Phuket, NJ 07878

MEMO

Elliott J. Millenson

Elliott J. Millenson

SCHEDULE A - ITEMIZED RECEIPTS

PAGE: 140 OF

Individual Contribution

LINE NUMBER 11A

Name of Committee: Committee to Re-Elect Sen. Edward M. Kennedy

Name and Address		Date	Amount
Harvey B. Mickelson 30 Cornell Street New Bedford, MA 02749	Employer: Self-Employed Occupation: Attorney	11/02/93	500.00
Receipt for General 94		YTD amount: 2000.00	
Elliot J. Millenson 523 Golf Links Drive Bridgewater, NJ 08807	Employer: Diversified Diagnostic Inc. Occupation: Executive	12/05/93	500.00
Receipt for Primary 94		YTD amount: 500.00	
Barbara Miller 4315 Filmore Rd. Hollywood, FL 33021	Employer: Miller, Schwartz & Miller Occupation: Attorney	12/31/93	500.00
Receipt for Primary 94		YTD amount: 500.00	
David H. Miller 4600 Tapestry Drive Fairfax, VA 22032	Employer: Self/Fed. Legislative Assoc. Occupation: Attorney	08/30/93	1000.00
Receipt for General 94		YTD amount: 2000.00	
David H. Miller 4600 Tapestry Drive Fairfax, VA 22032	Employer: Self/Fed. Legislative Assoc. Occupation: Attorney	08/30/93	1000.00
Receipt for Primary 94		YTD amount: 2000.00	
Judith A. Miller 1200 19th Street, NW Washington, DC 20036	Employer: Williams & Connally Occupation: Attorney	12/23/93	500.00
Receipt for Primary 94		YTD amount: 500.00	
Nathan R. Miller Six Beacon Street Boston, MA 02108	Employer: Self-Employed Occupation: Real Estate	11/03/93	500.00
Receipt for Primary 94		YTD amount: 500.00	

sub-total receipts this page

1000

1993 INVOICE REGISTER FOR DIVISION/LOCATION 2

NAME	INVOICE NUMBER	INVOICE DATE	VOUCHER NUMBER	DUE DATE	PAY CODE	BANK CODE	CHECK NUMBER	GROSS AMOUNT	DISCOUNT AMOUNT	PAID AMOUNT
MIC PAR NJ	24411	930929	359002	931009	P	01	0163244	1,509.88	.00	1,509.88
MIC PAR NJ	24714	931005	291661	931015	P	01	0135676	1,505.81	.00	1,505.81
MIC PAR NJ	24924	931007	294702	931017	P	01	0137285	689.92	.00	689.92
MIC PAR NJ	24958	931007	294706	931017	P	01	0137285	75.00	.00	75.00
MIC PAR NJ	25069	931008	294699	931018	P	01	0137285	335.74	.00	335.74
MIC PAR NJ	25822	931019	268936	931112	I	01	0125528	4,536.80	.00	4,536.80
MIC PAR NJ	26018	931021	314560	940224	I	01	0145821	2,174.84	.00	2,174.84
MIC PAR NJ	26095	931021	314566	940224	I	01	0145821	792.88	.00	792.88
MIC PAR NJ	26111	931022	314569	940224	I	01	0145821	125.10	.00	125.10
MIC PAR NJ	27004	931103	288218	931113	P	01	0134397	403.56	.00	403.56
MIC PAR NJ	28928	931130	314601	940224	I	01	0145821	123.12	.00	123.12
MIC PAR NJ	29360	931208	314605	940224	I	01	0145821	587.40	.00	587.40
MIC PAR NJ	29899	931215	306127	940207	I	01	0143889	1,060.00	.00	1,060.00
TOTAL								31,823.94	.00	31,823.94
MIC STA CO	8059	931025	274294	931124	I	01	0128092	751.50	.00	751.50
MIC STA CO	8113	931029	281665	931213	I	01	0131454	1,330.00	.00	1,330.00
MIC STA CO	8162	931105	290013	931229	I	01	0135260	835.00	.00	835.00
MIC STA CO	8214	931109	290012	931229	I	01	0135260	629.59	.00	629.59
TOTAL								3,546.09	.00	3,546.09
MIK CLA LI	0012 0031	931024	269598	931116	I	01	0126017	2,343.95	.00	2,343.95
MIK CLA LI	00320041	931101	271089	931118	I	01	0126654	1,771.25	.00	1,771.25
MIK CLA LI	0042 0051	931108	272713	931122	I	01	0127166	1,771.25	.00	1,771.25
MIK CLA LI	00520060	931115	283687	931116	P	01	0132447	1,658.00	.00	1,658.00
MIK CLA LI	006110068	931126	283277	931215	I	01	0132076	1,387.00	.00	1,387.00
MIK CLA LI	00690082	931203	286619	931222	I	01	0133934	1,613.00	.00	1,613.00
MIK CLA LI	00830097	931210	286617	931222	I	01	0133934	1,711.25	.00	1,711.25
MIK CLA LI	00980116	931221	291853	940105	I	01	0136007	1,943.75	.00	1,943.75
MIK CLA LI	0110011	931019	265150	931104	I	01	0123765	1,562.75	.00	1,562.75
TOTAL								15,762.20	.00	15,762.20
MIL MON	1037	930706	230802	930820	I	01	0108503	8,880.00	.00	8,880.00
MIL MON	1048	931020	270696	931117	P	01	9900222	5,586.00	.00	5,586.00
MIL MON	1051	930728	230808	930817	P	01	0108503	1,500.00	.00	1,500.00
MIL MON	1075	930914	249525	931004	P	01	0117102	239.00	.00	239.00
TOTAL								16,205.00	.00	16,205.00
53 MILLENZO E	ERROR	931208	279249	931208	I	01	0000000	1,448.50-	.00	.00
53 MILLENZO E	ERROR 2	931208	279250	931208	I	01	0000000	1,384.19-	.00	.00
53 MILLENZO E	050493	930504	215478	930716	I	01	0101422	642.64	.00	642.64
53 MILLENZO E	060193	930601	222067	930729	I	01	0104432	757.35	.00	757.35
53 MILLENZO E	060593	930605	220992	930728	I	01	0104016	7,997.16	.00	7,997.16
53 MILLENZO E	061493	930614	210027	930706	I	01	0098476	84.80	.00	84.80
53 MILLENZO E	061793	930617	224032	930804	I	01	0105366	2,675.31	.00	2,675.31
53 MILLENZO E	061893	930618	212019	930708	I	01	0099278	622.04	.00	622.04
53 MILLENZO E	062093	930620	229802	930818	I	01	0108095	429.85	.00	429.85
53 MILLENZO E	062893	930628	228407	930816	I	01	0107492	1,639.86	.00	1,639.86
53 MILLENZO E	070293	930702	220990	930728	I	01	0104816	4,205.94	.00	4,205.94
53 MILLENZO E	071193	930711	235473	930902	I	01	0110720	8,788.62	.00	8,788.62
53 MILLENZO E	071393	930713	278600	931207	I	01	0130412	3,439.40	.00	3,439.40
53 MILLENZO E	071993	930719	226419	930816	I	01	0107492	1,237.63	.00	1,237.63

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FEB 27 '93 15:56

1993 INVOICE REGISTER FOR DIVISION LOCATION 30

NAME	INVOICE NUMBER	INVOICE DATE	VOUCHER NUMBER	DUE DATE	PAY CODE	BANK CODE	CHECK NUMBER	GROSS AMOUNT	DISCOUNT AMOUNT	PAID AMOUNT
53 MILLENZO E	072193	930721	228408	930816	I	01	0107492	2,066.86	.00	2,066.86
53 MILLENZO E	080393	930803	229818	930818	I	01	0108095	45.25	.00	45.25
53 MILLENZO E	080593	930805	229808	930818	I	01	0108095	26.45	.00	26.45
53 MILLENZO E	081093	930810	235334	930902	I	01	0110720	1,571.03	.00	1,571.03
53 MILLENZO E	081593	930815	258543	931022	I	01	0121349	71.05	.00	71.05
53 MILLENZO E	082693	930826	251276	931307	I	01	0117963	2,385.48	.00	2,385.48
53 MILLENZO E	082693	930826	244724	930923	I	01	0115034	804.34	.00	804.34
53 MILLENZO E	090193	930901	251279	931007	I	01	0117963	318.50	.00	318.50
53 MILLENZO E	091493	930914	251286	931007	I	01	0117963	794.43	.00	794.43
53 MILLENZO E	092393	930923	251284	931007	I	01	0117963	830.41	.00	830.41
53 MILLENZO E	093093	930930	253566	931013	I	01	0119204	482.00	.00	482.00
53 MILLENZO E	100593	931005	278608	931207	I	01	0130412	619.49	.00	619.49
53 MILLENZO E	100793	931007	258542	931022	I	01	0121349	1,325.05	.00	1,325.05
53 MILLENZO E	101293	931012	258540	931022	I	01	0121349	759.76	.00	759.76
53 MILLENZO E	102393	931023	278602	931207	I	01	0130412	4,674.49	.00	4,674.49
53 MILLENZO E	110793	931107	278604	931207	I	01	0130412	3,228.64	.00	3,228.64
53 MILLENZO E	111293	931112	278606	931207	I	01	0130412	500.00	.00	500.00
53 MILLENZO E	111693	931116	279252	931208	I	01	0130697	1,448.50	.00	1,448.50
53 MILLENZO E	111693	931116	279224	931208	I	01	0000000	1,448.50	.00	1,448.50
53 MILLENZO E	111793	931117	279227	931208	I	01	0130697	523.06	.00	523.06
53 MILLENZO E	112293	931122	279253	931208	I	01	0130697	1,384.19	.00	1,384.19
53 MILLENZO E	112293	931122	279229	931208	I	01	0000000	1,384.19	.00	1,384.19
53 MILLENZO E	113093	931130	279231	931208	I	01	0130697	492.50	.00	492.50
53 MILLENZO E	120693	931206	284714	931217	I	01	0133154	2,796.60	.00	2,796.60
53 MILLENZO E	121093	931210	287181	931222	I	01	0134371	1,383.27	.00	1,383.27
53 MILLENZO E	121393	931213	298359	940120	I	01	0139282	910.35	.00	910.35
53 MILLENZO E	121493	931214	290683	931229	I	01	0135633	2,313.70	.00	2,313.70
53 MILLENZO E	121793	931217	293796	940110	I	01	0136970	3,603.95	.00	3,603.95
53 MILLENZO E	122193	931221	299126	940121	I	01	0139487	921.90	.00	921.90
53 MILLENZO E	122193	931221	293793	940110	I	01	0136970	1,065.31	.00	1,065.31
TOTAL								69,867.16	.00	69,867.16
MIN PRE IN	72470	930716	223735	930804	I	01	0105181	50.88	.00	50.88
MIN PRE IN	72875	930812	232700	930826	I	01	0109170	42.13	.00	42.13
MIN PRE IN	73278	930908	241774	930917	I	01	0113570	76.32	.00	76.32
MIN PRE IN	73560	930923	249982	931006	I	01	0117362	42.13	.00	42.13
MIN PRE IN	73727	931004	257933	931107	P	01	0123552	42.13	.00	42.13
MIN PRE IN	74160	931029	301189	940126	I	01	0140320	630.84	.00	630.84
MIN PRE IN	74425	931116	283671	931220	P	01	0132438	42.13	.00	42.13
MIN PRE IN	74610	931129	283674	931231	R	01	0134391	651.90	.00	651.90
MIN PRE IN	74632	931130	309322	940216	I	01	0143692	47.75	.00	47.75
MIN PRE IN	74929	931216	291328	940119	P	01	0138031	42.13	.00	42.13
MIN PRE IN	75003	931222	296056	940114	I	01	0138031	38.16	.00	38.16
TOTAL								1,706.50	.00	1,706.50
MOB COM	930151	930921	260737	931027	I	01	0121964	1,700.00	.00	1,700.00
TOTAL								1,700.00	.00	1,700.00
NOM INC	121093	931210	292107	931211	P	01	0136021	943.40	.00	943.40
TOTAL								943.40	.00	943.40
MOR MOR	082793	930827	235796	930903	I	01	0110973	79.00	.00	79.00

13042
= to 12,462.02
Kennedy

PAGE 18
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FEB 27 '95 15:56

9 7 0 4 3 8 5 0 0 3 4

Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



12/08/93

130412

Chase Manhattan Bank, N.A.
Synonym, New York

00 437913

PAY Twelve thousand four hundred sixty-two dollars and 02/100

\$12,462.02

TO THE
ORDER OF

ELLIOTT MILLENSON
629 GOLF LINKS DRIVE
BRIDGEWATER NJ 08807

Camille M. Froehner
Thomas E. Nystrom
AUTHORIZED SIGNATURE

⑆0130412⑆ ⑆021309379⑆ 601-2-34685⑆

⑆0001246202⑆

NOV 14 1993 14:20 856172 943
908657717 PAGE 04

TO 7717

P. 11

FEB 27 '95 15:56

SENI 211 31 0 0000

9 7 0 4 3 8 5 0 0

Name: Marga Blosser Location: D.A.D.
 SSN: [REDACTED] Extension: 253-6404
 Signed: [Signature] Approved: Jim Bar
 Date: 11/17/93

Direct Access Ingest Expense Report

*IC follow up
 w/ Bar & [unclear]
 11/17/93*

215168

Dept. Acct. Code	Tail Code	Project No	Reference	Tax
154R-000-14-53025	34000			9
	65000			
TOTAL				\$ 500.00

Purpose of Trip

Date	ACTIVITY/LOCATION	#	Room (Attach Bill)	CASH EXPENDITURES (Attach receipts for all individual expenditures of \$25 or more)										CREDIT EXPENDITURES					
				*PERSONAL MEALS (Includes Tips)			Phone Telegram Postage	Air/ Rail/ Car Rent	Personal Car		Business Meals/ Enter.	Laundry Valet	TIPS (Not Meals)	MISC. Other	TOTAL CASH EXP.	TOTAL CREDIT EXP.	DESCRIPTION		
				BRKFST	LUNCH	DINNER			0.275 / mile Miles	Amount									
11/12	Bridgewater																		
TOTALS																			

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
 **ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel 0.00
 Less Travel Advance \$ 0.00
 Less Prior Balance Due Orths 0.00
 Total Due Employee 500.00
 Total Due Orths (attach check) 0.00

Other Expenditures
 Room Deposit
 Registration Fees
 Registration Fees

CASHIER'S SIGNATURE

TOTAL COST OF TRIP \$ 500.00

T	VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AMT	DATE REQ'D	CUR. PERIOD	BATCH
	CORP	DIV	LOC	DEPT	TAIL	PROJECT/REF NO	AMT TO BE CHARGED	
	PREPAID CHECK DAT	PREPAID CHECK NO	1099 CD	1099 AMOUNT	A/P APPROVAL			

MARGARET L. BLOSSER

3729

11-12-93

SS-78432212

For the Order of Committee to Re-elect Senator Kennedy 500
Five hundred & no/100 Dollars

TYSON EMPLOYEES FEDERAL CREDIT UNION
RAHWAY, NJ 07065
ORTHO DIAGNOSTIC, BRANCH 14

X Margaret Blosser

For

97043850038

Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08859

9 7 2 0 4 3 8 5 00RTHO 9



RECEIVED
TELLER #12

DEC 06 1993

12/01/93

128902

ETHICUM LAMP...
SOMERVILLE, N.J.

Chase Manhattan Bank, N.A.
Spartan, New York

RECEIVED

PAY Five hundred dollars and no cents

\$500.00

TO THE
ORDER OF

MARGARET BLOSSER
402 WESTMINSTER PL
FLEMINGTON NJ 08822

CHECKS OVER \$7500.00 REQUIRE TWO SIGNATURES

Thomas E. Nyquist
AUTHORIZED SIGNATURE

⑆0128902⑆ ⑆021309379⑆ 60102-34685⑆

⑆0000050000⑆

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MAR 06 '95 11:38

10/0906 N1

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MAY 11 04:19 PM '94
PAGE 05

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3-6-95 11:30AM

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128902

Margaret Blum
Paid Only

FOR DEPOSIT ONLY
RECALCULATED FUND 418
ACT 7 1/2 1/81

0010 26079

0212-0260-9
SUMMIT BANK
750 WALNUT AVENUE
CRANFORD, NJ 07016

DEC -7 93

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[REDACTED]
 [REDACTED]
 [REDACTED] 500.00
 [REDACTED] 0400
 DELAWARE GROUP DELAWARE CASH RESERVE
 MEMO _____
 [REDACTED]
 ALL ACCOUNT OWNERS MUST SIGN
 [Signature]
 James J. Barr

9 7 0 4 3 8 5 0 0 1 0 3

Ortho Pharmaceutical Corp
Route 202 South
Raritan, New Jersey 08860



12/01/95

128891

Chemical Bank, N.A.
Spencer, New York

12-00001

PAY Five hundred dollars and no cents

\$500.00

CHECKS OVER \$7500.00 REQUIRE TWO SIGNATURES

TO THE
ORDER OF

JAMES BARR
7 NORTHFIELD COURT
LAMBERTVILLE NJ 08530

Thomas E. Spitzer
AUTHORIZED SIGNATURE

⑆012889⑆ ⑆021309379⑆ 601-2-34685⑆

⑆000050000⑆

MAR 06 '95 11:38 P.04

TO 96857717

MAR 06 1995 11:01AM FROM 9086857717 PAGE.07

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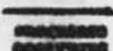
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15906801677 RWSECK 9300.00
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RECORD NEXT BUSINESS DAY

11-0-00

FOR 111400229

FROM 111400229

111400229

James G. Brown
James G. Brown

168821

William R. Papais
John L. Papais

[Redacted]

November 12, 1993

1009

SS-713212



PAID TO THE
ORDER OF

Committee to Re-elect Sen Kennedy 500⁰⁰

Five hundred dollars and no/100 DOLLARS

TINTON FALLS STATE BANK
650 SHREWSBURY AVE
TINTON FALLS, NJ 07701

FOR KENNEDY

Walter P. J.

[Redacted]

0704385006

9 7 0 4 3 8 5 0 0 4 7

Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



12/08/93

130337

PAY Five hundred eighty-two dollars and 34/100

\$582.34

CHECKS OVER \$750.00 REQUIRE TWO SIGNATURES

TO THE
ORDER OF

WILLIAM PAGELS
161 MONMOUTH BOULEVARD
OCEANPORT NJ 07757

Thomas E. Anthony
AUTHORIZED SIGNATURE

⑆0130337⑆ ⑆021309379⑆ 601-2-34685⑆

/0000058234/

MAR 06 '95 11:37

9086857717

PAGE.02

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3- 6-95 :11:30AM :

DAD-

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For deposit only
Wendy R.



→0212071384←
TIN: TON FALLS
STATE PARK
TIN: TON FALLS, N.H.
(603) 747-8252

DEF 7 93

130337

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PAGE 03

2/08/95

97043850040
1993 INVOICE REGISTER FOR DIVISION/LOCATION

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PER 06 '95 11:38

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PAGE 04

SENT BY:

3-6-95 11:30AM

DAD-

908 524 2700 1/3

MPR	VENDOR NUMBER	NAME	INVOICE NUMBER	INVOICE DATE	VOUCHER NUMBER	DUE DATE	PAY CODE	BANK CODE	CHECK NUMBER	GROSS AMOUNT	DISCOUNT AMOUNT	PAID AMOUNT
	814964	OFF INT IN	92076	931005	259070	931025	I	01	0121552	1,865.60	.00	1,865.60
	814964	OFF INT IN	92204	931008	264987	931111	P	01	0124358	10,390.65	.00	10,390.65
	814964	OFF INT IN	92691	931029	269645	931202	P	01	0128230	1,865.60	.00	1,865.60
	814964	OFF INT IN	93039	931110	273954	931124	I	01	0128230	426.65	.00	426.65
	814964	OFF INT IN	93126	931111	273951	931124	I	01	0128230	2,251.18	.00	2,251.18
	814964	OFF INT IN	93159	931111	273952	931124	I	01	0128230	1,988.84	.00	1,988.84
	814964	OFF INT IN	93253	931115	284797	931219	P	01	0133351	612.15	.00	612.15
	814964	OFF INT IN	94437	931228	295949	940131	P	01	0140456	2,635.00	.00	2,635.00
	WSNAME TOTAL									84,812.80	.00	84,812.80
	673534	OMN PLA IN	100893	931008	262980	931102	I	01	0123381	1,800.00	.00	1,800.00
	WSNAME TOTAL									1,800.00	.00	1,800.00
	674566	ORA COR	395286	931015	285552	931118	P	01	0133403	12,421.88	.00	12,421.88
	674566	ORA COR	397243	931111	363138	940516	I	01	0164610	1,451.52	.00	1,451.52
	674566	ORA COR	398250	931113	285475	931217	P	01	0133403	379.69	.00	379.69
	674566	ORA COR	398251	931115	285471	931219	P	01	0133403	2,113.67	.00	2,113.67
	WSNAME TOTAL									16,366.76	.00	16,366.76
	686793	OVA HEA RE	V029700497	930915	241076	930915	P	01	0111674	440.00	.00	440.00
	686793	OVA HEA RE	29700497	930731	237550	930908	I	01	0111674	440.00	.00	440.00
	WSNAME TOTAL									.00	.00	.00
	724486	P N TR	102816	930219	171260	930414	I	01	0081789	304.49	.00	304.49
	WSNAME TOTAL									304.49	.00	304.49
	821357	PAC COO IN	85357	931028	280947	931201	P	01	0131691	4,344.60	.00	4,344.60
	821357	PAC COO IN	85358	931028	280948	931201	P	01	0131691	4,750.00	.00	4,750.00
	WSNAME TOTAL									9,094.60	.00	9,094.60
	130388064	PAGELS W	051393	930513	200660	930611	I	01	0093924	1,446.74	.00	1,446.74
	130388064	PAGELS W	080293	930802	228729	930817	I	01	0107673	55.93	.00	55.93
	130388064	PAGELS W	081193	930811	235361	930902	I	01	0110665	576.50	.00	576.50
	130388064	PAGELS W	110593	931105	278376	931207	I	01	0130337	82.34	.00	82.34
	130388064	PAGELS W	111293	931112	278366	931207	I	01	0130337	500.00	.00	500.00
	130388064	PAGELS W	121293	931212	295001	940112	I	01	0137598	1,317.95	.00	1,317.95
	WSNAME TOTAL									3,979.46	.00	3,979.46
	020277	PCI DEL IN	10291	931019	280957	931122	P	01	0131667	6,048.00	.00	6,048.00
	020277	PCI DEL IN	10299	931020	291571	931123	P	01	0135683	5,804.39	.00	5,804.39
	020277	PCI DEL IN	10300	931020	280956	931123	P	01	0131667	4,041.00	.00	4,041.00
	WSNAME TOTAL									15,893.39	.00	15,893.39
	699803	PDQ TEN	61675	930728	229634	930729	P	01	0107978	540.00	.00	540.00
	699803	PDQ TEN	61708	930804	229626	930805	P	01	0107978	747.00	.00	747.00
	699803	PDQ TEN	61742	930811	241413	930812	P	01	0113395	693.00	.00	693.00
	699803	PDQ TEN	61808	930825	237576	930908	I	01	0111550	702.00	.00	702.00
	699803	PDQ TEN	61835	930901	243253	930902	P	01	0114284	123.75	.00	123.75
	699803	PDQ TEN	61836	930901	243251	930902	P	01	0114284	787.50	.00	787.50
	699803	PDQ TEN	61872	930909	243250	930910	P	01	0114284	693.00	.00	693.00
	699803	PDQ TEN	61907	930915	251218	930916	P	01	0117716	540.00	.00	540.00
	699803	PDQ TEN	61941	930922	251217	930923	P	01	0117716	774.00	.00	774.00

Donna 500 is part of the total check #130337

97043850050

EXHIBIT F
HARKIN FOR SENATE

ELLIOTT J. MILLENSON

1084

April 27 19 94

~~NY~~ NJ
212

PAY TO THE
ORDER OF Friends of Tom Harkin

\$ 250.00

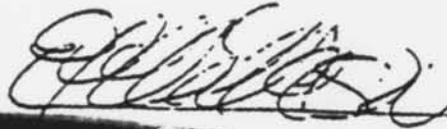
Two hundred fifty and 00/100

DOLLARS

 National Westminster Bank NJ

Placenton Office
Route 202-208 South Placenton, NJ 07978

MEMO Contribution



97043850053

SCHEDULE A

ITEMIZED RECEIPTS

Page: 40 of 41
For Line Number: 11a

Information copied from such reports and statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full): Citizens for Harkin

Full Name, Address, Zip	Employer/Occupation	Date	Receipts
Jed Neese 88 Granite Street Ashland OR 97520	Exec. VP Vitaline Corp.	06/07/94	250.00 P

Receipt For: Primary Year-to-Date Total: \$ 250.00

Full Name, Address, Zip	Employer/Occupation	Date	Receipts
4 7 Melinda Mendelson 7750 Silverado Trl. Napa CA 94558	Info requested	04/29/94	1000.00 P

5 2 Receipt For: Primary Year-to-Date Total: \$1000.00

Full Name, Address, Zip	Employer/Occupation	Date	Receipts
6 1 Ilene Merdinger Church St 43104 New York NY 10007	Info requested	01/17/94	500.00 P

7 2 Receipt For: Primary Year-to-Date Total: \$ 500.00

Full Name, Address, Zip	Employer/Occupation	Date	Receipts
8 4 Elliott Millenson 202-206 South Pluckemin NJ 07978	Info requested	05/20/94	250.00 P

9 Receipt For: Primary Year-to-Date Total: \$ 250.00

Full Name, Address, Zip	Employer/Occupation	Date	Receipts
James Miller 121 Third Street Manhattan Beach CA 90266	author Self	02/28/94 03/31/94	250.00 P 250.00 P

Receipt For: Primary Year-to-Date Total: \$ 500.00

Subtotal of Receipts This Page.....\$ 2500.00
Total This Period.....\$121130.00

Feb 27.1995 11:14AM FROM

TO 96857717

P.08

VHIS01 ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY PAGE 7 OF 8
 ELLIOTT MILLENSON CORP 900 SUSPENSE =
 577701553 CURR-HIST=
 ID = PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DUE-DT	CHK-DT	CHK-NO	PO NBR	NET-AMT
900	381089	051894	3	051894	061494	061594	0171234		873.04
900	380486	050894	3	050894	061394	061494	0171042		113.65
900	373743	051994	3	051994	060294	060394	0168911		2,041.25
900	370522	050494	3	050494	052694	052794	0167544		3,318.50
900	370527	051294	3	051294	052694	052794	0167544		726.65
900	363259	040894	3	040894	051694	051794	0164809		101.36
900	359690	033094	3	033094	051094	051194	0163375		258.90
900	357513	042794	3	042794	050694	050994	0162691	check #162691	850.00
900	357702	042894	3	042894	050694	050994	0162691		1,271.94
900	357703	042394	3	042394	050694	050994	0162691		571.00
900	354935	040894	3	040894	050394	050494	0161835		1,185.00
900	354937	042094	3	042094	050394	050494	0161835		916.38
900	355067	041594	3	041594	050394	050494	0161835		36.57
900	352888	041494	3	041494	042894	042994	0160913		913.74
900	350727	022194	3	022194	042694	042794	0160137	check #160137	800.48

O/E 2,92.94

(A) 2,041.25
 (B) 850.00
 (C) 800.48
 920.51
 \$1720.94

97043850055

- (A) Leasing
- (B) Gas & Harkins
- (C) New American Century Fund

ENTER VENDOR-NO AND/OR CHECK-DATE:

97043850056

Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



05/02/94

162691

Chase Manhattan Bank, N.A.
Syracuse, New York

33-087015

PAY Two thousand one hundred ninety-two dollars and 94/100

\$2,192.94

CHECKS OVER \$7500.00 REQUIRE TWO SIGNATURES

TO THE ORDER OF
ELLIOTT MILLENSON
15 WASHINGTON CLUB ROAD
EAR HILLS NJ 07931

Thomas E. Spatone
AUTHORIZED SIGNATURE

⑆58976-2⑆ ⑆021309379⑆ 601-2-34685⑆

⑆492612000⑆

SENT BY:

Feb 27 1995 03:06PM FROM

TO 9665717

P.02

Handwritten signature

162691

97043850057

24217069

FEB 27 1995 03:06 PM
 NATIONAL BANK OF NEW JERSEY
 NEW YORK, NY 10017
 14
 NATIONAL BANK OF NEW JERSEY
 NEW YORK, NY 10017
 MAY 94

FROM: TELING
 TO: UTICA
 13039120

NEW YORK, NY

NEW YORK, NY

97043850058

EXHIBIT G

FRIENDS OF MARJORIE MARGOLIES MEZVINSKY

97043850059

115570

2026638007:20

Name	Elliott J. Milleson	Location	D.A.D.
SS #	[REDACTED]	Extension	218-7902
Signature	[Signature]		
Date	10/1/94	Approved	[Signature]

**Direct Access Diagnostics
Expense Report**

Dept. Acct. Code	Tell Code	Project No.	Reference Field	Amount
154R-008-14-51021	000000			250.00
	650000			
TOTAL				250.00

contribution

Purpose of Trip

Date	ACTIVITY/LOCATION	#	Receipt (Attach Bill)	*PERSONAL MEALS (Includes Tips)				Phone Telegram Postage	Air/ Rail/ Car Rent	Personal Car 0.275 / mile Miles/Amount	Business Meals/ Entert.	Laundry Valet	TIPS (Net Meals)	MISC. Other	TOTAL CASH EXP.	CREDIT EXPENDITURES		
				#	\$	#	\$									TOTAL CREDIT EXP.	DESCRIPTION	
10/1	contribution													250.00	250.00			
TOTALS															250.00	250.00		

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
 **ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

- Less Personal Travel
- Less Travel Advance
- Less Prior Balance Due Ordue
- Total Due Employee
- Total Due (to/for (attach check)

TOTAL CASH & CREDIT EXP.	250.00
Other Expenditures	
Rents Deposit	
Registration Fees	
Registration Fees	

CASHIER'S SIGNATURE

TOTAL COST OF TRIP \$ 250.00

VENDOR NUMBER	TODAY'S BAL	INVOICE NUMBER	DATE RECEIVED	CUR PERIOD	BATCH
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

1-25-95 2:51PM DIRECT ACCESS DIAG.

ELLIOTT J. MILLENSON

1136

10/3 19 94

2-BNJ
311

PAY TO THE ORDER OF Friends of Marjorie Margolies Marvinsky \$ 250.00

Two Hundred Fifty and 00/100 DOLLARS

National Westminster Bank NJ
Prudential Office
Route 222-208 South, Prudential, NJ 07976



MEMO contribution

97043850061

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedules for each category of the Detailed Summary Page

PAGE 12 OF 31

FOR FILING CLASS: R

11(A)(1)

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NAME OF COMMITTEE (in Full)

Friends of Marjorie Margolies-Mezvinsky C-00263343

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Almarin Phillips 1115 Remington Road Wynnewood, PA 19096	Almarin Phillips, Inc.	10/17/94	\$ 500.00
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General Aggregate Year-to-Date > \$ 1500.00	Occupation: Consultant		
B. Full Name, Mailing Address and ZIP Code Len Ray 3 Bala Plaza, Suite 101 Bala Cynwyd, PA 19004	Ray Communications	10/18/94	\$1000.00
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General Aggregate Year-to-Date > \$ 1000.00	Occupation: President		
C. Full Name, Mailing Address and ZIP Code Michael Craig 117 Old Barn Court Buffalo Grove, IL 60089	Self	10/13/94	\$500.00
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General Aggregate Year-to-Date > \$ 500.00	Occupation: Businessman		
D. Full Name, Mailing Address and ZIP Code Elliott Millenson 15 Ashington Club Road Far Hills, NJ 07931	Direct Access Diagnostic	10/13/94	\$250.00
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General Aggregate Year-to-Date > \$ 250.00	Occupation: President		
E. Full Name, Mailing Address and ZIP Code Elizabeth Church 321 W. 13th Street New York, NY 10014	Advent Software, Inc.	10/13/94	\$500.00
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General Aggregate Year-to-Date > \$ 500.00	Occupation: VP		
F. Full Name, Mailing Address and ZIP Code David Prewitt 126 Grays Lane Haverford, PA 19041	Self	10/13/94	\$350.00
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General Aggregate Year-to-Date > \$ 400.00	Occupation: Attorney		
G. Full Name, Mailing Address and ZIP Code Arthur Lorch 11 Sherbrooke Road Horsedale, NY 10983	Self	10/13/94	\$100.00
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General Aggregate Year-to-Date > \$ 100.00	Occupation: Businessman		

Feb 27.1995 11:12AM FROM

TO 96857717

P.03

VHIS01 ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY PAGE 2 OF 8
 ELLIOTT MILLENSON CORP 900 SUSPENSE =
 ██████████ 577701553 CURR-HIST=
 ██████████ ID = PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DUE-DT	CHK-DT	CHK-NO	PO-NBR	NET-AMT
					14-53025-591000				405.23
900	450733	101294	3	101294	101894	101994	0196473		179.66
					14-53025-541000				46.66
					14-53025-543000				133.00
900	450736	101394	3	101394	101894	101994	0196473		25.15
					14-53025-543500				25.15
900	448098	100494	3	100494	101394	101494	0195641		19.00
					14-53025-543000				19.00
900	445520	100394	3	100394	100794	101094	0194646	<i>Nezinski</i>	250.00
					14-53025-650000				250.00
900	445525	092794	3	092794	100794	101094	0194646		1,373.83
					14-53025-541000				1,335.85
					14-53025-543500				27.50
					14-53025-543000				10.48
900	445533	092794	3	092794	100794	101094	0194646		811.45

PA1-FW PA2-BW PF6-VNM9 PF7-VIN9 CORP: 900 ENTER VENDOR-NO
 AND/OR CHECK-DATE: *2435.28*
check #194646

97043850063

9 7 0 4 3 8 5 0 0 6 4

07/11/95 00:17 473 000

MAIL

01/01/95

00

Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



10/10/84

194646

State Street Bank, N.A.
Rye Brook, New York

00-000010

AY Two thousand four hundred thirty-five dollars and 28/100

\$2,435.28

CHECKS OVER \$7500.00 REQUIRE TWO SIGNATURES

TO THE
ORDER OF
ELLIOTT MILLESON
16 WASHINGTON CLUB ROAD
FAIR HILLS, N.J. 08031

[Handwritten signatures]

019464602130937907 601-2-346850

0000243528

FEB 27 1995 02:28PM FROM 900557717 PAGE 17

TO 900557717

P.05

FEB 27 '95 15:58

SENT 31

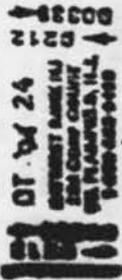
Feb 27, 1995 03:06PM FROM

TO 906524 2788: #18/18

P. 83

[Handwritten signature]

97043850065



OCT 24 1994
FIRST BANK NJ
250 CAMP COUNTY
RD 1A JARVIS, N.J.
908-488-0100

2144

NATIONAL
DISTRICT
BANK OF N.J.
HUNTSVILLE
NEW JERSEY
08853

10538106

OCT 94

906524 2788: #18/18
F.R.B. UTICA
620-604-1
02840684

906524 2788: #18/18

906524 2788: #18/18

194646

97043850066

EXHIBIT H
CHABOT FOR CONGRESS

9 7 0 4 3 8 5 0 0 6 8

4153106

2026638007: # 2

Name: Ellice J. Milliam	Location: D.A.D.
SS #: [REDACTED]	Extension: 218-7302
Signature: <i>[Signature]</i>	Approver: <i>Jim Barr</i>
Date: 10/21/94	Date: 10-26-94

**Direct Access Diagnostics
Expense Report**

Dept. Acct. Code	Tail Code	Project No	Reference Field	Amount
154R-000-14-53029	541000			5150.00
TOTAL				\$ 5150.00

contributions

Purpose of Trip

Date	ACTIVITY/ LOCATION	#	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)				Phone Telegram Postage	Air/ Rail/ Car Rent	Personal Car 0.275 / mile Miles Amount	Business Meals/ Entert.	Laundry Valet	TIPS (Not Meals)	MISC. Other =	TOTAL CASH EXP.	CREDIT EXPENDITURES	
				#	BRKFAST	#	LUNCH									#	DINNER
10/21	contributions													5150.00	5150.00		
TOTALS														5150.00	5150.00		

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE

**ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel 0.00
 Less Travel Advance \$ 0.00
 Less Prior Balance Due Ortho 0.00
 Total Due Employee 5150.00
 Total Due Ortho (attach check) 0.00

TOTAL CASH & CREDIT EXP. \$ 5150.00

Other Expenditures
 Bond Deposit
 Registration Fees
 Registration Fees

TOTAL COST OF TRIP \$ 5150.00

CASHIER'S SIGNATURE

EVENT NUMBER	TODAY'S DATE	INVOICE NO.	REG. CHECK AMT.	DATE PAID	CUR. PERIOD	BATCH
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PREPARE CHECK AND PREPARE CHECK TO BE PAID BY BANK OR BY CASH ON HAND						

OK
[Signature]

1-25-95 : 2:45PM : DIRECT ACCESS DIAG.

BY: *[Signature]*

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule PAGE 9 OF 13
 for each category of the Detailed Summary Page
 FOR LINE NUMBER 11a1

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NAME OF COMMITTEE (in Full) FEC ID No. C00290189
 Committee to Elect Steven J. Chabot

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Elliott J. Millensca 15 Ashington Club Rd. Far Hills, NJ 07931			
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	10/26/94	1,000.00
	Aggregatable	\$ 1,000.00	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation		
	Aggregatable	\$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Sam P. Montague, Jr. 21 East Harrison Ave. North Bend, OH 45060	Retired		
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	10/21/94	250.00
	Aggregatable	\$ 250.00	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Edward J. Metz 5334 Clough Pike Cincinnati, OH 45244	Retired		
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	11/04/94	70.00
	Aggregatable	\$ 1,070.00	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Dr. M. MESSERLIN 6543 Marlene Hills Dr. Cincinnati, OH 45243	Physician		
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	10/26/94	500.00
	Aggregatable	\$ 500.00	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Michael Herman 3740 Carson Ave. Cincinnati, OH 45202			
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	11/04/94	60.00
	Aggregatable	\$ 250.00	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
David Nelson 1415 Foster Dr. Cincinnati, OH 45204	Coney & Shippers		
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	10/21/94	25.00
	Aggregatable	\$ 225.00	

TOTAL of Receipts This Page (optional) 1,905.00

Feb 27.1995 11:12AM FROM

TO 96857717

P.02

VHIS01 ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY PAGE 1 OF 8
 ELLIOTT MILLENSON CORP 900 SUSPENSE --
 577701553 CURR-HIST=
 ID = PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DUE-DT	CHK-DT	CHK-NO	PO-NBR	NET-AMT
900	460716	100994	3	100994	110494	110794	0200135		177.66
						14-53025-541000			104.66
						14-53025-543500			73.00
900	458106	102694	3	102694	110194	110294	0199086		5,150.00 ✓
						14-53025-541000			5,150.00
900	457149	102494	3	102494	102894	103194	0198727		32.63
						14-53025-541000			32.63
900	457152	102494	3	102494	102894	103194	0198727		3,027.31
						14-53025-541000			2,382.88
						14-53025-543500			450.75
						14-53025-543000			193.68
900	452960	093094	3	093094	102194	102494	0197403		777.51
						14-53025-541000			713.52
						14-53025-543000			63.99
900	452175	101694	3	101694	102094	102194	0197074		405.23

PA1-FW PA2-BW PF6-VNM9 PF7-VIN9 CORP: 900 ENTER VENDOR-NO AND/OR CHECK-DATE:

97043850
 * Hastings
 Salmon
 Bilbray
 Ehrlich
 Chabot
 Schooler.

97043850072

Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



11/02/04

199086

Chase Manhattan Bank, N.A.
Spring, New York

60-67311

PAY Five thousand one hundred fifty dollars and no cents

\$5,150.00

ORDER OVER \$7500.00, PLEASE SIGN SIGNATURE

TO THE
ORDER OF

ELLIOTT MILLENSON
15 WASHINGTON CLUB ROAD
FAR HILLS NJ 07831

Thomas E. Nyquist
CASHIER

⑆0199086⑆ ⑆021309379⑆ 601-2-34685⑆

⑆000515000⑆

FORM 1041-B-70 FEB 1995 PAGE 07

11/02/04

FEB 27 '95 15:57

970438500/3

EXHIBIT I
SALMON FOR CONGRESS

97043850075

2026638007:2

4153106

Name: Elliott J. Millerson	Location: D.A.D.
SSN: [REDACTED]	Telephone: 218-7302
Signature: [Signature]	Approval: Jim Barr
Date: 10/21/94	Date: 10-26-94

**Direct Access Diagnostics
Expense Report**

Dept. Acct. Code	Fund Code	Project No	Reference Field	Amount
154R-000-14-53025	541000			51.50 00
TOTAL				51.50 00

Purpose of Trip

Date	ACTIVITY/LOCATION	#	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)				Phone Telegram	Air/ Rail/ Car Rent	Personal Car 0.275 / mile Miles Amount	Business Meals/ Enter.	Laundry Valet	TIPS (Net Meals)	MISC. Other **	TOTAL CASH EXP.	CREDIT EXPENDITURES							
				#	BRKFAST	#	LUNCH									#	DINNER	TOTAL CREDIT EXP.	DESCRIPTION				
10/21	contributions													51.50 00	51.50 00								
TOTALS																				51.50 00	51.50 00		

*IF CASH EXP \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
 **ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel
 Less Travel Advance \$
 Less Prior Balance Due Orths
 Total Due Employee
 Total Due Orths (attach check)

0.00
0.00
0.00
51.50 00
0.00

Other Expenditures
 Room Deposit
 Registration Fees
 Registration Fees
TOTAL COST OF TRIP 51.50 00

CASPER'S SIGNATURE

INVOICE NUMBER	TODAY'S DATE	INVOICE NO	DEPT	CHECK AMT	DATE READY	CUR. PERIOD	BATCH
PROJECT NO	PROJECT NAME	PROJECT REF NO	AMT TO BE CHARGED				
PREPARED BY: [REDACTED] PREPARED CHECK TO: [REDACTED] AMOUNT: [REDACTED] APPROVAL: [REDACTED]							

OK [Signature]

ESM BY:

ELLIOTT J. MILLENSON

1145

OCT 26 1996/25 19 96

SE-NJ 212

PAY TO THE ORDER OF Matt Salmon for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
Pluckemin Office
Route 222-208 South Pluckemin NJ 07978

contribution

ELLIOTT J. MILLENSON

1144

10/25 19 94

SE-NJ 212

PAY TO THE ORDER OF Hastings for Congress \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
Pluckemin Office
Route 222-208 South Pluckemin NJ 07978

contribution

ELLIOTT J. MILLENSON

1147

10/25 19 94

SE-NJ 212

PAY TO THE ORDER OF Ehrlich for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
Pluckemin Office
Route 222-208 South Pluckemin NJ 07978

contribution

97043850076

0000153394

Line: 11a

Any information on copies from such Reports and Statements may not be sold or used by any person for the purpose of collecting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE
MATT SALMON FOR CONGRESS COMMITTEE

A. Mr. Waldon F. Marion 1458 North El Camino Drive Tempe, AZ 85281	EMPLOYER N/A	DATE 11/04/94	AMOUNT 150.00
--	-----------------	------------------	------------------

Receipt for: General

OCCUPATION
Retired

Aggregate YTD: \$ 1,000.00

B. Ms. Flossie Malby 3119 W Valencia Ln Phoenix, AZ 85018	EMPLOYER N/A	DATE 11/02/94	AMOUNT 35.00
---	-----------------	------------------	-----------------

Receipt for:

OCCUPATION
Retired

Aggregate YTD: \$ 1,035.00

C. Ms. Deede Meyers 5106 N. Wilkinson Rd. Paradise Valley, AZ 85253	EMPLOYER Arizona Republican Party	DATE 11/01/94	AMOUNT 300.00
---	--------------------------------------	------------------	------------------

Receipt for: General

OCCUPATION
District 26 Chairman

Aggregate YTD: \$ 300.00

D. Dr. Richard A. Nickle 4552 E. La Mirada Way Phoenix, AZ 85044	EMPLOYER Self	DATE 11/08/94	AMOUNT 100.00
--	------------------	------------------	------------------

Receipt for: General

OCCUPATION
Doctor

Aggregate YTD: \$ 250.00

E. Mr. Elliot Millanson 440 Rte. 22 East 3rd Fl Bridgewater, NJ 08807-2463	EMPLOYER Direct Access Diagnostics	DATE 10/26/94	AMOUNT 1,000.00
--	---------------------------------------	------------------	--------------------

Receipt for: General

OCCUPATION
CEO

Aggregate YTD: \$ 1,000.00

F. Mr. Don Miner 1756 E. Mallory Mesa, AZ 85203	EMPLOYER Retired	DATE 11/05/94	AMOUNT 500.00
---	---------------------	------------------	------------------

Receipt for: General

OCCUPATION
N/A

Aggregate YTD: \$ 500.00

G. Mr. George Miraben 18045 Placita Octubre Green Valley, AZ 85614	EMPLOYER Tucson Electric Power	DATE 11/08/94	AMOUNT 1,000.00
--	-----------------------------------	------------------	--------------------

Receipt for: General

OCCUPATION
Executive

Aggregate YTD: \$ 1,000.00

SUBTOTAL of Receipts This Page (optional) 3,095.00

TOTAL This Period (last page this line number only)

11-010-100U-140-10

Feb 27.1995 11:12AM FROM

TO 96857717

P.02

VHIS01 ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY PAGE 1 OF 8
 ELLIOTT MILLENSON CORP 900 SUSPENSE -
 ██████████ 577701553 CURR-HIST-
 ██████████ ID = PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DUE-DT	CHK-DT	CHK-NO	CO-NBR	NET-AMT
900	460716	100994	3	100994	110494	110794	0200135		177.66
					14-53025-541000				104.66
					14-53025-543500				73.00
900	458106	102694	3	102694	110194	110294	<u>0199086</u>		<u>5,150.00</u> ✓
					14-53025-541000				5,150.00
900	457149	102494	3	102494	102894	103194	0198727		32.63
					14-53025-541000				32.63
900	457152	102494	3	102494	102894	103194	0198727		3,027.31
					14-53025-541000				2,382.88
					14-53025-543500				450.75
					14-53025-543000				193.63
900	452960	093094	3	093094	102194	102494	0197403		777.51
					14-53025-541000				713.52
					14-53025-543000				63.99
0900	452175	101694	3	101694	102094	102194	0197074		405.23

PA1-FW PA2-EW PF6-VNM9 PF7-VIN9 CORP: 900 ENTER VENDOR-NO
 AND/OR CHECK-DATE:

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 * Hastings
 Salmon
 Bilbray
 Ehrlich
 Chabot
 Schooler.

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Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



11/02/04

199086

Chemical Bank, N.A.
Spring House, New York

88-047813

\$5,160.00

AMOUNT OVER \$7500.00 REQUIRES TWO SIGNATURES

PAY Five thousand one hundred fifty dollars and no cents

TO THE ORDER OF
ELLIOTT MILLENSON
15 WASHINGTON CLUB ROAD
FAR HILLS NJ 07831

Thomas E. Nyshon
Authorized Signature

⑆0199086⑆ ⑆021309379⑆ 601-2-34685⑆

⑆000515000⑆

FORM 1042-PP RECEIVED PAGE 07

11/1/0005 N.

FEB 27 '95 15:57

9 7 0 4 3 8 5 0 0 8 0

U.S. POSTAGE
OFFICE
01077534

NO. 06 07
FIRST CLASS PERMIT NO. 1000
NEW YORK, N.Y.

POSTAGE WILL BE PAID BY ADDRESSEE

POSTAGE WILL BE PAID BY ADDRESSEE

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

[Handwritten signature]

FEB 27 '95 15:57

057737

PRICE 09

1990861

97043850081

EXHIBIT J
HASTINGS FOR CONGRESS

97043850083

1145

ELLIOTT J. MILLENSON

OCT 26 1996/25 19 94 SS-NJ 212

PAY TO THE ORDER OF Matt Salmon for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
 Puckemin Office
 Route 202-208 South, Puckemin, NJ 07978

contribution *E. J. Millenson*

1144

ELLIOTT J. MILLENSON

10/25 19 94 SS-NJ 212

PAY TO THE ORDER OF Bustings for Congress \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
 Puckemin Office
 Route 202-208 South, Puckemin, NJ 07978

contribution *E. J. Millenson*

1147

ELLIOTT J. MILLENSON

10/25 19 94 SS-NJ 212

PAY TO THE ORDER OF Ehrlich for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
 Puckemin Office
 Route 202-208 South, Puckemin, NJ 07978

contribution *E. J. Millenson*

CCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 10 OF 19

FOR LINE NUMBER 11-A-1

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NAME OF COMMITTEE (In Full)

Hastings '94

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Bryan Alford 1181 W Sagemore Rd Pasco WA 99301	Self	10-27-94	3000
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	Occupation: Farmer Aggregate Year-to-Date > \$76000		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
E. A. Curtis PO Box 6841 Kennewick WA 99336	E. A. Curtis Inc.	10-27-94	10000
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	Occupation: President Aggregate Year-to-Date > \$65000		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Lowell Lancaster 5135 W Nob Hill Blvd Vancouver WA 98567	Pyramid Orchards	10-27-94	10000
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	Occupation: Owner Aggregate Year-to-Date > \$55000		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Margo Flynn 12550 Wilcox Rd Leavenworth WA 99130	N/A	10-28-94	20000
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	Occupation: Home-maker Aggregate Year-to-Date > \$20000		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
R.C. Whitehead 1031 Glenwood Rd Pasco WA 99301	Self	10-28-94	75000
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	Occupation: Farmer Aggregate Year-to-Date > \$25000		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Yvonne Tullis Rt. 3 Box 3364 Kennewick WA 99337	N/A	10-28-94	10000
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	Occupation: Home-Rec Aggregate Year-to-Date > \$20000		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Elliott J. Millerson 15 Ashingtons Club Rd Earl Hills, N.J. 07931	Requested 10-29-94 Let's phone message 12-2-94	10-28-94	100000
Receipt For: <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	Occupation: Aggregate Year-to-Date > \$100000		

SUBTOTAL of Receipts This Period (continued)

228000

COURTESY OF THE WASHINGTON STATE BAR

VHIS01 ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY PAGE 1 OF 8
 ELLIOTT MILLENSON CORP 900 SUSPENSE -
 ██████████ 577701553 CURR-HIST-
 ██████████ ID = PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DOE-DT	CHK-DT	CHK-NO	DC-NBR	NET-AMT
900	460716	100994	3	100994	110494	110794	0200135		177.66
						14-53025-541000			104.66
						14-53025-543500			73.00
900	458106	102694	3	102694	110194	110294	0199066		5,150.00 ✓
						14-53025-541000			5,150.00
900	457149	102494	3	102494	102894	103194	0198727		32.63
						14-53025-541000			32.63
900	457152	102494	3	102494	102894	103194	0198727		3,027.31
						14-53025-541000			2,382.88
						14-53025-543500			450.75
						14-53025-543000			193.68
900	452960	093094	3	093094	102194	102494	0197403		777.51
						14-53025-541000			713.52
						14-53025-543000			63.99
900	452175	101694	3	101694	102094	102194	0197074		405.23

PA1-FW PA2-BW PF6-VNM9 PF7-VIN9 CORP: 900 ENTER VENDOR-NO
 AND/OR CHECK-DATE:

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Hasting
 Salmon
 Bilbray
 Ehrlich
 Chabot
 Schooler.

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Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



11/02/04

199086

Chase Manhattan Bank, N.A.
Spartan, New York

80-027811

\$5,150.00

ORDER OVER \$7500.00 PLEASE PRINT SIGNATURE

PAY Five thousand one hundred fifty dollars and no cents

TO THE
ORDER OF

ELLIOTT MILLENSON
15 WASHINGTON CLUB ROAD
FAR HILLS NJ 07931

Thomas E. Nyström
CASHIER

⑆0199086⑆ ⑆021309379⑆ 601-2-34685⑆

⑆000515000⑆

UNIVERSITY MICROFILMS
SERIALS ACQUISITION
300 N ZEEB RD
ANN ARBOR MI 48106
PAGE 07

11/02/04

FEB 27 '95 15:57

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WESTERN UNION
TELETYPE UNIT
01077534

NO. 07
WESTERN UNION
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WESTERN UNION

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[Handwritten Signature]

PRICE 00

01077534

199086

FEB 27 '95 15:57

97043850039

EXHIBIT K
EHRlich FOR CONGRESS

97043850092

ELLIOTT J. MILLENSON 1145
 OCT 26 1996/25 19 94 SS-NJ
 PAY TO THE ORDER OF Matt Salmon for Congress Committee \$ 1000.00
 One thousand and 00/100 DOLLARS
 National Westminster Bank NJ
 Puckett Office
 Route 202-208 South, Puckett, NJ 07878
 MEMO contribution

ELLIOTT J. MILLENSON 1144
 10/25 19 94 SS-NJ
 PAY TO THE ORDER OF Hastings for Congress \$ 1000.00
 One thousand and 00/100 DOLLARS
 National Westminster Bank NJ
 Puckett Office
 Route 202-208 South, Puckett, NJ 07878
 MEMO contribution

ELLIOTT J. MILLENSON 1147
 10/25 19 94 SS-NJ
 PAY TO THE ORDER OF Ehrlich for Congress Committee \$ 1000.00
 One thousand and 00/100 DOLLARS
 National Westminster Bank NJ
 Puckett Office
 Route 202-208 South, Puckett, NJ 07878
 MEMO contribution

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule (PAGE) OF
for each category of the 12 20
Detailed Summary Page FOR LINE NUMBER
11(a)(1)

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NAME OF COMMITTEE (in Full)
MERLICH FOR CONGRESS COMMITTEE

FEC ID No. C00286963

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
JAY J. MATRICCIANI 1055 W. JOPPA RD. #312 TONSON, MD 21204	THE MATRICCIANI CO.	11/16/94	250.00
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregatable \$ 250.00	
JAY MATRICCIANI 1816 THORNTON RIDGE RD. TONSON, MD 21204	THE MATRICCIANI CO.	11/16/94	500.00
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation PRESIDENT	Aggregatable \$ 500.00	
THOMAS W. MATTHEWS, III 1002 CONCORDIA DR. TONSON, MD 21286	SCHNEIDER, MISTER & GRANDIZIO, P.A.	10/31/94	250.00
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation ACCOUNTANT	Aggregatable \$ 350.00	
ROBERT L. MCKIBNEY 43 E. MONTGOMERY ST. BALTIMORE, MD 21200	NATIONAL SOFTDRINK ASSN.	10/26/94	100.00
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation DIRECTOR	Aggregatable \$ 1,100.00	
JOHN B. MEYLSKI 24 SKYWATER RD. GIBSON ISLAND, MD 21056		10/26/94	100.00
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregatable \$ 450.00	
ELLIOTT J. MILLENSON 15 ASHINGTON CLUB RD. FAR HILLS, NJ 07971	DIRECT ACCESS DIAGNOSTIC	10/31/94	1,000.00
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation PRESIDENT	Aggregatable \$ 1,000.00	
BARTON S. MITCHELL BOX 2739 BALTIMORE, MD 21225	E. STUART MITCHELL	11/03/94	500.00
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation CONTRACTOR	Aggregatable \$ 1,000.00	

3LBTOTAL of Receipts This Page (optional) 2,700.00

TOTAL This Period (last page this line number only)

ST. OH. UNION - BALTIMORE

Feb 27.1995 11:12AM FROM

TO 96657717

P.02

-VHIS01 ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY PAGE 1 OF 8
 ELLIOTT MILLENSON CORP 900 SUSPENSE -
 577701553 CURR-HIST=
 ID = PRI-HIST = 109,951.00

CO VOUCHER INVOICE	TP	INV-DT	DOE-DT	CHK-DT	CHK-NO	DO-NBR	NET-AMT
900 460716 100994	3	100994	110494	110794	0200135		177.66
			14-53025-541000				104.66
			14-53025-543500				73.00
900 458106 102694	3	102694	110194	110294	0199086	*	5,150.00 ✓
			14-53025-541000				5,150.00
900 457149 102494	3	102494	102894	103194	0198727		32.63
			14-53025-541000				32.63
900 457152 102494	3	102494	102894	103194	0198727		3,027.31
			14-53025-541000				2,382.88
			14-53025-543500				450.75
			14-53025-543000				193.68
900 452960 093094	3	093094	102194	102494	0197403		777.51
			14-53025-541000				713.52
			14-53025-543000				63.99
900 452175 101694	3	101694	102094	102194	0197074		405.23

PA1-FW PA2-EW PF6-VNM9 PF7-VIN9 CORP: 900 ENTER VENDOR-NO
 AND/OR CHECK-DATE:

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 - 9
- * Hastings
 Salmon
 Bilbray
 Ehrlich
 Chabot
 Schooler.

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Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08860



11/02/04

199086

Chase Manhattan Bank, N.A.
Spartan, New York

80-027213

\$5,150.00

AMOUNT OVER \$7500.00, PLEASE SIGN SIGNATURE

Thomas E. Nyckerson
CASHIER

PAY Five thousand one hundred fifty dollars and no cents

TO THE ORDER OF
ELLIOTT MILLENSON
15 ASHINGTON CLUB ROAD
FAR HILLS NJ 07931

⑆0199086⑆ ⑆021309379⑆ ⑆01-2-3665⑆

⑆000515000⑆

REC'D BY: 11/27/04 15:57
PAGE: 07

11/27/04

FEB 27 '95 15:57

[Handwritten signature]

97043850096

MAIL OFFICE
611-684-1

01077534

NO 07 07
POSTAGE WILL BE PAID BY ADDRESSEE
NO 07 07
NO 07 07

NO 07 07

NO 07 07

NO 07 07

NO 07 07

199086

97043850097

EXHIBIT L
BILBRAY FOR CONGRESS

[Handwritten signature]

97043850098

FBI OFFICE
01077534

NO. 07
FEB 27 1995
FBI OFFICE
CHICAGO, ILL. 60604

00101010

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NO. 181442

NO. 125114

199086

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2026638007: # 2

1-25-85 : 2:45PM : DIRECT ACCESS DIAG.

Name:	Elliot J. Millerson	Location:	D.A.D.
SS #:	[REDACTED]	Telephone:	218-7302
Signature:	[Signature]	Approval:	Jim Bann
Date:	10/21/84	Date:	10-26-84

**Direct Access Diagnostics
Expense Report**

Dept. Acct. Code	Tail Code	Project No.	Reference Field	Amount
154R-000-14-53025	541000			\$150.00
TOTAL				\$150.00

Contributor:

Purpose of Trip:

Date	ACTIVITY/ LOCATION	#	Room (Attach Bill)	*PERSONAL MBALS (Includes Tips)			Phone Telegram Postage	Air/ Rail/ Car Rent	Personal Car		Business Meals/ Entert.	Laundry Valet	TIPS (Not Meals)	MISC. Other	TOTAL CASH EXP.	TOTAL CREDIT EXP.	DESCRIPTION
				#	BRKFAST	#			LUNCH	#							
10/23	contributions													\$150.00	\$150.00		
TOTALS														\$150.00	\$150.00		

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE

**ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

CASHER'S SIGNATURE

- Less Personal Travel
- Less Travel Advance \$
- Less Prior Balance Due Orths
- Total Due Employee
- Total Due Orths (attach check)

0.00
0.00
0.00
\$150.00
0.00

- Other Expenditures
- Room Deposit
- Registration Fees
- Registration Fees

TOTAL COST OF TRIP \$150.00

SYMBOL NUMBER	TODAY'S DATE	TIME	SYMBOL	LINE	REG	CREDIT	DATE	PERIOD	BATCH
[REDACTED]									
[REDACTED]									
[REDACTED]									

OK
[Signature]

PRINT BY:

ELLIOTT J. MILLENSON 1048

PAY TO THE ORDER OF Friends of Ken Wolfe \$ 500.00

Five Hundred and 00/100 DOLLARS

National Westminster Bank NJ
 Pluckemin Office
 Route 202-708 South Pluckemin, NJ 07978

MEMO: *[Signature]*

WENDY STRONGIN, M.D.
 ELLIOTT J. MILLENSON
 15 ASHINGTON CLUB RD.
 CAR HILLS, NJ 07931

566
 10/25 19 94

PAY TO THE ORDER OF Citizens for Swift Schools \$ 150.00

One hundred fifty and 00/100 DOLLARS

PEAPACK-GLADSTONE BANK
 PLUCKEMIN OFFICE
 ROUTE 202-708 SOUTH PLUCKEMIN, NJ 07978

MEMO: contribution *[Signature]*

ELLIOTT J. MILLENSON 1146

PAY TO THE ORDER OF 10/25 19 94 \$ 1000.00

Bilbray for Congress

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
 Pluckemin Office
 Route 202-708 South Pluckemin, NJ 07978

MEMO: contribution *[Signature]*

97043850101

SCHEDULE A

ITEMIZED RECEIPTS
(Contributions from Individuals/
Persons Other Than Political Committees)

Use separate schedule(s) PAGE | OF 25
for each category of the 11
Detailed Summary Page FOR LINE NUMBER
11(a)(1)

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NAME OF COMMITTEE (in Full)
BRYAN SILBERY FOR CONGRESS

CO028086

Contributors Over \$200.

Full Name, Mailing Address and ZIP Code Election Type	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year)	Amount of Each Receipt This Period
SARDAK, SARI 1305 AVENIDA BACIENDA ESCONDIDO, CA 92029 Receipt For: General	SARDAK'S EQUAL JUSTICE President Aggregate Year-to-date	\$500.00 11-04-94	500.00
NEIL, MICHAEL I. 3910 BAYSIDE WALK SAN DIEGO, CA 92109 Receipt For: General	NEIL, DEBNOTT, PERKINS Attorney Aggregate Year-to-date	\$250.00 10-28-94	250.00
ROBERTS, OMER J. P.O. BOX 1168 WELLBAIN BLUFFS, FL 34449 Receipt For: General	CFC Executive Aggregate Year-to-date	\$1,000.00 10-24-94	1,000.00
WILLENBON, ELLIOTT J. 15 ABBINGTON CLUB ROAD FAR HILLS, NJ 07931 Receipt For: General	DIRECT ACCESS DIAGNOSTICS CEO Aggregate Year-to-date	\$1,000.00 10-27-94	1,000.00
PINCKARD, C.J. 1027 FLORA AVENUE CORONADO, CA 92118 Receipt For: General	HOME CAPITAL Manager Aggregate Year-to-date	\$250.00 10-28-94	250.00
LICHTER, ROBERT J. 715 BRADSHAW LANE SAN DIEGO, CA 92109 Receipt For: General	JOHN BURBANK COMPANY President Aggregate Year-to-date	\$1,000.00 10-31-94	500.00
WAIDELICH, CHARLES J. BOX 898 SANCHO SANTA FE, CA 92067 Receipt For: General	R/A Retired Aggregate Year-to-date	\$450.00 10-24-94	50.00

SUBTOTAL of Receipts This Page (Optional).....> \$3,550.00
TOTAL This Period (last page this line number only).....>

P. 10/10/94 10:00 AM

Feb 27.1995 11:12AM FROM

TO 96857717

P.02

VHIS01 ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY PAGE 1 OF 8
 ELLIOTT MILLENSON CORP 900 SUSPENSE -
 ██████████ 577701553 CURR-HIST-
 ██████████ ID = PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DUE-DT	CHK-DT	CHK-NO	PO-NBR	NET-AMT
900	460716	100994	3	100994	110494	110794	0200135		177.66
						14-53025-541000			104.66
						14-53025-543500			73.00
900	458106	102694	3	102694	110194	110294	0199086		5,150.00 ✓
						14-53025-541000			5,150.00
900	457149	102494	3	102494	102894	103194	0198727		32.63
						14-53025-541000			32.63
900	457152	102494	3	102494	102894	103194	0198727		3,027.31
						14-53025-541000			2,382.88
						14-53025-543500			450.75
						14-53025-543000			193.68
900	452960	093094	3	093094	102194	102494	0197403		777.51
						14-53025-541000			713.52
						14-53025-543000			63.99
900	452175	101694	3	101694	102094	102194	0197074		405.23

MPAL-FW PA2-BW PF6-VNM9 PF7-VIN9 CORP: 900 ENTER VENDOR-NO
 AND/OR CHECK-DATE:

- 0
- 1
- 2 * Hastings
- 3 Salmon
- 4 Bilbray
- 5 Ehrlich
- 6 Chabot
- 7 Schooler.
- 8
- 9

[Handwritten signature]

97043850105

WEST OFFICE
611-641

01077534

NOV 07 04
WEST OFFICE
611-641

1015 1 19

7 12 14

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NOV 1 1957

199086

97043850106

EXHIBIT M

NEW AMERICAN CENTURY FUND

97043850107

2026638007:29

Name	Elliott J. Millerson	Location	D.A.D.
AS #		Extension	218-7307
Signature	<i>[Signature]</i>		
Date	4/11/84	Approver	<i>[Signature]</i>

**Direct Access Diagnostics
Expense Report**

Dept. Acct. Code	Tax Code	Project No.	Reference Field	Amount
154R-000-14-53021	591000		762.48	800.00
	517000			38.00
TOTAL				

Misc. Expenses
Purpose of Trip

Date	ACTIVITY/ LOCATION	Room (Attach Bill)	CASH EXPENDITURES (Attach receipts for all individual expenditures of \$25 or more)						CREDIT EXPENDITURES									
			*PERSONAL MEALS (Includes Tips)			Phone Telegram Postage	Air/ Rail/ Car Rent	Personal Car 0.275 / mile Miles Amount	Business Meals/ Entert.	Luxury Valet	TIPS (Net Meals)	MISC. Other	TOTAL CASH EXP.	TOTAL CREDIT EXP.	DESCRIPTION			
Jan	Travel/ water		#	BRKFAST	#	LUNCH	#	DINNER										
1/21									34.04								34.04	
2/24												13.00					13.00	
2/1	DC										25.00			500.00			500.00	
3/27	DC								75.92								75.92	
TOTALS									106.96	75.92		38.00		500.00			800.48	

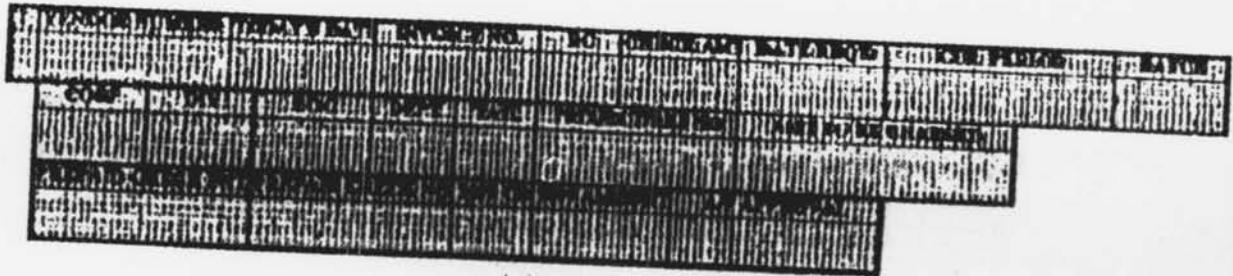
*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE

**ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

CASHIER'S SIGNATURE

- Less Personal Travel
- Less Travel Advances
- Less Prior Balance Due Orths
- Total Due Employee
- Total Due Orths (attach check)

TOTAL CASH & CREDIT EXP.	800.48
Other Expenditures	0.00
Room Deposits	0.00
Registration Fees	0.00
Registration Fees	0.00
TOTAL COST OF TRIP	800.48



1-25-95 2:55PM DIRECT ACCESS DIAG.

ELLIOTT J. MILLENSON

1037

PAY TO THE ORDER OF

Friends of Ken Wolfe
Five Hundred and 00/100

Jan 27 1997
\$ 500.00

National Westminster Bank NJ
Rutherford Office
Route 200-208 South Plainfield, NJ 07078

MEMO contribution

E. J. Milleson

ELLIOTT J. MILLENSON

1136

PAY TO THE ORDER OF

Friends of Marjorie Margolies Mezvinsky

10/3 1994
\$ 250.00

Two Hundred fifty and 00/100

National Westminster Bank NJ

MEMO contribution

E. J. Milleson

ELLIOTT J. MILLENSON

1049

PAY TO THE ORDER OF

New Jersey
Five Hundred and 00/100

Chicago 97
\$ 500.00

National Westminster Bank NJ

MEMO contribution

E. J. Milleson

97043850109

Feb 27.1995 11:14AM FROM

TO 96857717

P.00

VHIS01 ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY PAGE 7 OF 8
 ELLIOTT MILLENSON CORD 900 SUSPENSE =
 577701553 CURR-HIST=
 ID = PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DUE-DT	CHK-DT	CHK-NO	PO NBR	NET-AMT
900	181089	051894	3	051894	061494	061594	0171224		873.04
900	180486	050894	3	050894	061394	061494	0171042		113.65
900	373743	051994	3	051994	060294	060394	0168931		2,041.25
900	370522	050494	3	050494	052694	052794	0167544		3,318.50
900	370527	051294	3	051294	052694	052794	0167544		726.65
900	163259	040894	3	040894	051694	051794	0164809		101.36
900	359690	033094	3	033094	051094	051194	0163375		258.90
900	357513	042794	3	042794	050694	050994	0162691	check #162691	850.00
900	357702	042894	3	042894	050694	050994	0162691		1,271.94
900	357703	042394	3	042394	050694	050994	0152691		571.00
900	354935	040894	3	040894	050394	050494	0161835		1,185.00
900	354937	042094	3	042094	050394	050494	0161835		916.38
900	355067	041594	3	041594	050394	050494	0161835		36.57
900	352688	041494	3	041494	042894	042994	0160913		913.74
900	350727	022194	3	022194	042694	042794	0160137	check #160137	800.48

PA1-FW PA2-BW PF6=VNM9 PF7-VIN9 CCRP: 900 ENTER VENDOR-NO
 AND/OR CHECK-DATE: 920.51
 Σ \$1720.94

(A) Leondine

(B) Gaxsp & Harkim

(C) New American Century Fund

9704385011

Feb 27 1995 03:06PM FROM

TO 96857717

P.04

for deposit or by

[Handwritten signature]

160137

97043850113

NY NY 10 01 00
SUNNYVALE BANK IN
NEW YORK COUNTY
NEW YORK, N.Y.
100-000-0000

021000000
NATIONAL
WESTMINSTER
BANK OF N.J.
JERSEY CITY
NEW JERSEY
021000000

0540 00134 7.00

MAY 19 84

NY NY 10

021000000-1

021000000

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97043850114

EXHIBIT N

CAL VICTORY '94

HEALTH
POLICY &
RESEARCH
FOUNDATION

REQUEST FOR EXPENSE REIMBURSEMENT
October 17, 1994

Travel Phone 110.75
87.52
239.27

Cars Sayville/August 260.00
Los Angeles/PAWS 251.60
New York 461.50
Minneapolis 287.50
Sayville/September 75.90

Travel Delaney/Wash/FDA 2,059.00
Bloom/Wash/FDA 2,711.00

Contributions

Tony Miller 3,750.00
Being Alive 1,500.00
Kathleen Brown 800.00
Carole Mingers 300.00
Cal Victory 94' 2,800.00

Supplies/Photos

Bridgewater 330.00
Sayville/Strub 468.60
Los Angeles/Strub 280.00
320.00

Accommodations

New York/Wolf 622.40
Minneapolis/Strub 449.88

Federal Express

75.50

APPROVED FOR PAYMENT

Amount \$ 9,307.⁰⁰
Account 154R-000-14-34102 Compute equipment
Project

Total due

\$17,057.32

Originator _____ Date _____

P.O. Box 691458
LOS ANGELES, CA 90069
310 595-8899
FAX 659-1382

Elliot J. Millenica _____ Date 10/24/94

APPROVED FOR PAYMENT

Amount \$ 7,750.⁰⁰

Account 154R-000-17-5303-65001

Project _____

Originator _____ Date _____

774 95.26 \$ _____ Date _____

10/19/94
Date

53025-650001

[Handwritten signature]

ORIGINAL COPY IS
WITH REAPPROVED COPY

Elliot J. Millenica _____ Date _____

- 5
— MICHAEL J. ROTH, M.D.
— CHAIRMAN
- 0
— BRUCE B. DECKER
— PRESIDENT
- 5
ROBERT E. ANDERSON, M.D.
DONALD P. FRANCIS, M.D.
- 0
MICHAEL GORMAN, PH.D.
MICHAEL S. GOTTLIEB, M.D.
- 3
PETER N.R. HESELTINE, M.D.

97043

May 9 (Travel & Misc)		\$6,081.82	
May 17 - 21 (Travel)		\$4,508.95	
May 26 - 28 (Travel)		\$4,479.26	
June 17		\$7,769.05	
-Per Diem	\$500.00		
-Contribution + 10 days (5 days)	\$3,000.00		
-Travel	\$4,269.05		Reclassified 7/15 to 53025 650000
June 19 - July 4		\$18,476.69	
-Contribution to AIDS Project Los Angeles	\$1,000.00		Reclassified 7/15 to 53025 650000
-Per Diem	\$1,000.00		
-Contribution for +10 days (10 days)	\$8,000.00		Reclassified 7/15 to 53025 650000
-Travel	\$10,476.69		
July 29		\$12,439.00	
-Travel & Miscellaneous	\$8,489.00		
-Contribution for +10 days (3 days)	\$1,800.00		Reclassified 8/15 to 53025 650000
-Contribution to Sherill	\$800.00		Reclassified 8/15 to 53025 650000
-Contribution to GLCSC	\$350.00		Reclassified 8/15 to 53025 650000
-Contribution to Log Cabin	\$300.00		Reclassified 8/15 to 53025 650000
-Contribution to GMHC	\$1,000.00		Reclassified 8/15 to 53025 650000
August 1994		\$17,938.18	
-Travel & Miscellaneous	\$14,838.18		
-Per Diem	\$1,300.00		
-Contribution for +10 days (3 days)	\$1,800.00		Reclassified 9/15 to 53025 650000
September 1994		\$19,807.17	
-Travel & Miscellaneous	\$14,507.17		
-Per Diem (14 days)	\$1,400.00		
-Contribution for +10 days (4 days)	\$2,400.00		Charged to 53025 650000
-Contribution to PAWS	\$1,000.00		Charged to 53025 650000
-Contribution to Torres Committee	\$800.00		Charged to 53025 650000
September 22, 1994		\$25,000.00	
-Year End Review Meeting	\$25,000.00		Charged to 53025 547000
October 1994		\$4,048.67	
-Travel & Miscellaneous	\$4,048.67		
October 17, 1994		\$17,057.32	
-Travel & Miscellaneous	\$9,307.32		
-Contribution to Terry Smith	\$3,750.00		Charged to 53025 650000
-Contribution to Being Alive	\$1,500.00		Charged to 53025 650000
-Contribution to Kathleen Smith	\$200.00		Charged to 53025 650000
-Contribution to Carole Smith	\$300.00		Charged to 53025 650000
-Contribution to Cal Victory 94	\$2,000.00		Charged to 53025 650000
October 20 & 21, 1994 - Community Advisory Committee Meeting		\$41,499.00	
-Community Advisory Committee Meeting charged to 53025-547000		\$15,541	Charged to 53025 547000
-Rodger McFarlane Expenses for Mtg charged to 53025-547000 - 10/24		\$370	invoice rcvd from individual
-Michael Weinstein Expenses for Mtg		\$140	invoice rcvd from individual
-Broadway Cares (Tom Viola) Expenses for Mtg		\$300	invoice rcvd from individual
-AIDS Project Los Angeles (Ark Senak) Expenses for Mtg		\$48	invoice rcvd from individual
-Community Advisory Committee Meeting (check req dated 12/14)		\$25,000	Charged to 53025 547000
November 3-9, 1994		\$5,863.13	
-Travel & Miscellaneous	\$5,863.13		

Contributions from Individuals/Persons

16

87

11 (a) 1

NAME OF COMMITTEE (in full)
CALIFORNIA VICTORY '94 COMMITTEE - EL. CODE 92339

A. FULL NAME, MAILING ADDRESS & ZIP CODE Emeline F. Davis 1956 Graefess Drive Los Angeles, CA 90068	NAME OF EMPLOYER Time Warner, Inc.	DATE (MONTH/DAY/ YEAR) 10/17/94	AMOUNT OF EACH RECPY THIS PER. \$500.00
	OCCUPATION Executive		
RECEIPT FOR: <input type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL	YEAR TO DATE \$1,770.00		
<input type="checkbox"/> OTHER (SPECIFY)			

A. FULL NAME, MAILING ADDRESS & ZIP CODE Barton Boor 22 Fordham Road Livingston, NJ 07039	NAME OF EMPLOYER The Roney Store, Inc.	DATE (MONTH/DAY/ YEAR) 10/10/94	AMOUNT OF EACH RECPY THIS PER. \$500.00
	OCCUPATION Executive Vice President		
RECEIPT FOR: <input type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL	YEAR TO DATE \$500.00		
<input type="checkbox"/> OTHER (SPECIFY)			

A. FULL NAME, MAILING ADDRESS & ZIP CODE Bruce Beaber 162 S. Lagoon Drive Beverly Hills, CA 90211	NAME OF EMPLOYER	DATE (MONTH/DAY/ YEAR) 10/13/94	AMOUNT OF EACH RECPY THIS PER. \$1,000.00
	OCCUPATION Retired		
RECEIPT FOR: <input type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL	YEAR TO DATE \$1,000.00		
<input type="checkbox"/> OTHER (SPECIFY)			

A. FULL NAME, MAILING ADDRESS & ZIP CODE Bruce Beaber 162 S. Lagoon Drive Beverly Hills, CA 90211	NAME OF EMPLOYER	DATE (MONTH/DAY/ YEAR) 10/13/94	AMOUNT OF EACH RECPY THIS PER. \$500.00
	OCCUPATION Retired		
RECEIPT FOR: <input type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL	YEAR TO DATE \$1,500.00		
<input type="checkbox"/> OTHER (SPECIFY)			

SUBTOTAL of Receipts this Page \$2,500.00

TOTAL This Period (Last Page this line number only)..... \$0.00

94020263529

Contributions from Individuals/Persons

17	87	11 (a) 1
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NAME OF COMMITTEE (in Full)
CALIFORNIA VICTORY '94 COMMITTEE - NO. CK 92359

A. FULL NAME, MAILING ADDRESS & ZIP CODE	NAME OF EMPLOYER	DATE (MONTH/DAY/ YEAR)	AMOUNT OF EACH RECPY THIS PER.
Bruce Becker 162 W. Lagoon Drive Beverly Hills, CA 90211		10/13/94	\$500.00
RECEIPT FOR: <input type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL <input type="checkbox"/> OTHER (SPECIFY)	OCCUPATION Retired		
		YEAR TO DATE	\$2,000.00
Larry D. Bolpit 120 E. Ocean Boulevard Suite 910 Long Beach, CA 90802	NAME OF EMPLOYER Manhattan Holdings	DATE (MONTH/DAY/ YEAR) 10/11/94	AMOUNT OF EACH RECPY THIS PER. \$1,000.00
RECEIPT FOR: <input type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL <input type="checkbox"/> OTHER (SPECIFY)	OCCUPATION Owner		SIGNATURE REQUESTED
		YEAR TO DATE	\$1,000.00
Larry D. Bolpit 120 E. Ocean Boulevard Suite 910 Long Beach, CA 90802	NAME OF EMPLOYER Manhattan Holdings	DATE (MONTH/DAY/ YEAR) 10/11/94	AMOUNT OF EACH RECPY THIS PER. \$9,000.00
RECEIPT FOR: <input type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL <input type="checkbox"/> OTHER (SPECIFY)	OCCUPATION Owner		SIGNATURE REQUESTED
		YEAR TO DATE	\$10,000.00
Alexandre Derman 7251 Pacific View Drive Los Angeles, CA 90068	NAME OF EMPLOYER Paramount	DATE (MONTH/DAY/ YEAR) 10/17/94	AMOUNT OF EACH RECPY THIS PER. \$500.00
RECEIPT FOR: <input type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL <input type="checkbox"/> OTHER (SPECIFY)	OCCUPATION Attorney		
		YEAR TO DATE	\$500.00
SUBTOTAL of Receipts this Page			\$11,000.00
TOTAL This Period (Last Page this line number only)			\$11,000.00

97043850118

* FUNDS APPROPRIATELY ALLOCATED WITHIN LIMITS TO FEINSTEIN FOR SENATE '94 AND DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE

97043850119

HEALTH POLICY & RESEARCH FOUNDATION		10-01/1993	2559
BRUCE S. DECKER, PRESIDENT			
P.O. BOX 891488 (310) 858-8888			
WEST HOLLYWOOD, CA 90088		2/6	19 95
PAY TO THE ORDER OF	<u>BRUCE</u>	\$	<u>2000</u>
<u>NO THOUSAND 7.59</u>		DOLLARS	
	Bank of America		
MEMO <u>Transfer - contrib</u>		<u>Don Decker</u>	



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 5, 1995

Lyn Utrecht, Esq.
818 Connecticut Avenue, NW
Suite 1100
Washington, DC 20006

RE: Pre-MUR 313

Dear Ms. Utrecht:

This is to acknowledge receipt of your letter dated March 27, 1995, pertaining to Direct Access Diagnostics. You will be notified as soon as the Federal Election Commission takes action on your submission.

If you have any questions, please contact Susan Mitchell at (202) 219-3400. For your information, we have attached a brief description of the Commission's procedures for handling matters such as this.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

97043850120

Law Offices

HOLLAND & KNIGHT

2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037-3202
202-955-3000
FAX 202-955-5564

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
APR 25 4 14 PM '95

A Partnership Including Professional Corporations

Atlanta	Orlando
Fort Lauderdale	St. Petersburg
Jacksonville	Tallahassee
Lakeland	Tampa
Miami	West Palm Beach

April 24, 1995

WILLIAM B. CANFIELD III
202-882-5960

Pre-MUR 315

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT
APR 25 3 47 PM '95

Honorable Danny Lee McDonald
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Chairman:

I represent an individual who was formerly employed, as a senior executive, by a New Jersey company which is a division of Ortho Pharmaceutical Corporation ("Ortho"). As you may know, Ortho Pharmaceutical Corp. is a subsidiary of the Johnson & Johnson Company. My client and I understand that Johnson & Johnson may have contacted the Commission with respect to a series of federal political contributions made by my client, from his personal funds, during 1993-1994. These personal contributions were subsequently, though mistakenly, reimbursed to my client by the Johnson & Johnson subsidiary company. While my client is not aware of the exact text of the Johnson & Johnson letter that has been provided to the Commission, it is his understanding that the facts as outlined in that letter may be at variance with the facts as they are known to my client.

By way of background, I have been authorized by my client to provide the Commission with the following information about these contributions. Between November 11, 1993 and October 25, 1994, my client made contributions from his personal funds to eight principal campaign committees of candidates for election to the House and Senate in the November 8, 1994 general election. Those contributions totalled \$6000.00. During the same period, he also made a contribution in the amount of \$500.00, from his personal funds, to a federal multi-candidate political committee.

Prior to making the first of these contributions, my client asked the Director of Finance at his company about the legality of seeking a reimbursement from the company for these contributions and whether there was any existing internal Ortho policy with respect to this issue. My client proactively sought the advise of his Director of Finance about the permissibility of seeking a reimbursement from the company, before making the initial contribution, because my client was unclear about the ability of

97043850121

Hon. Danny Lee McDonald
April 24, 1995
Page -2-

97043850122

a company to reimburse its employees for their federal contributions. The Director of Finance reported back to my client that he had ascertained from the corporate parent of my client's company that while the parent company's own internal policy was not to reimburse the political contributions of employees (given the apparent corporate policy of making political contributions directly through the Ortho government relations office in Washington, D.C.), such reimbursements were not illegal. It was the understanding of my client, based upon his knowledge of Johnson & Johnson's decentralized management, that each division, including Ortho, had the ability to unilaterally establish policy guidance in areas such as this. However, upon receiving this information, my client continued to be sufficiently concerned about such a potential reimbursement that he asked his Director of Finance to contact, directly, a senior manager in the Government Relations office of Johnson & Johnson, in Washington, D.C., to ask whether an employee could make contributions directly to a candidate committee, rather than having such contributions made by the Government Relations office, presumably through a "separate segregated fund" or political action committee maintained by the corporation. The advice that my client received, through his Director of Finance, from the corporate government relations office, was that he was free to contribute directly to the federal committees he chose to support.

In reliance upon the advise received from both his Director of Finance and from the parent company's Washington government affairs office, my client made the contributions and thereafter sought, and received, a reimbursement of these contributions, as itemized business expenses, from Ortho Pharmaceutical Corporation.

Thereafter, in December, 1994, during a conversation with a friend in Washington, my client learned for the first time that federal law prohibits such corporate reimbursements of an employee's political contributions. Upon learning this new information, my client sought out knowledgeable counsel in Washington, who confirmed for my client the exact meaning of the federal statutory prohibition. Immediately, my client took it upon himself to contact, by electronic mail, senior officials at his company to apprise them of the mistake that had been made regarding these reimbursed contributions. On February 15, 1995, I was retained by my client to advise him as to the application of the Federal Election Campaign Act to these transactions.

Hon. Danny Lee McDonald
April 24, 1995
Page -3-

On February 15, 1995, upon my advise, my client wrote to the Company Group Chairman of Johnson & Johnson, Mr. Peter Tattle, informing him of the particular circumstances surrounding the mistake that had been made with respect to these reimbursements. With that letter to Mr. Tattle, my client enclosed his personal check in the amount of \$6500.00 to serve as a full repayment to Johnson & Johnson of the reimbursed federal contributions. On February 22, 1995, my client again wrote Mr. Tattle and informed him that an additional \$3250.00 in contributions to various state candidates (in New York, Florida, Maryland and Iowa) had also been mistakenly reimbursed during 1994. With that letter, my client enclosed his personal check in the amount of \$3250.00 to repay Johnson & Johnson for these reimbursed state contributions.

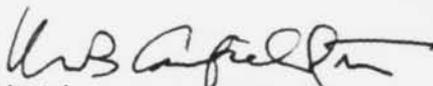
Having unilaterally taken the steps necessary, in January, 1995, to apprise Johnson & Johnson executives, and the executives of the Johnson & Johnson subsidiary, of the mistaken understanding of federal election law, which both my client and his employer were operating under when the reimbursements were sought and approved, and having unilaterally determined to repay the full amount of both the federal and state political contributions that were mistakenly reimbursed, my client is of the view that he has fulfilled his obligation under federal law to rectify this mistake.

My client stands ready to cooperate fully with the Commission should you determine to make any additional inquiries into this matter.

With warm regards,

Sincerely,

HOLLAND & KNIGHT


William B. Canfield, III

WBC/ja

WAS-97028

97043850123



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 3, 1995

William B. Canfield, III
Holland & Knight
2100 Pennsylvania Avenue, NW
Suite 400
Washington, D.C. 20037-3202

Re: Pre-Mur 315

Dear Mr. Canfield:

This is to acknowledge receipt of your letter dated April 26, 1995, advising the Federal Election Commission ("Commission") of a possible violation of the Federal Election Campaign Act of 1971, as amended, by your client. We will review the matter and notify you as soon as the Commission takes action on your submission.

If you have any questions, please contact Deborah Rice at (202) 219-3400. For your information, we have attached a brief description of the Commission's procedures for handling matters such as this.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

97043850124



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 23, 1995

BY FACSIMILE

Louise Oliver
General Services Administration
7th & D Streets SW
Room 5652
Washington, DC 20407

Dear Ms. Oliver:

This is to memorialize our phone conversation on Monday May 22, 1995. Below are two companies you indicated are federal contractors.

- Ortho Pharmaceutical Corporation
- Johnson & Johnson

Please verify this information in writing. If you have any questions regarding this request, please feel free to contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Erik Morrison".

Erik Morrison
Staff Member

97043850125



General Services Administration
National Capital Region
Washington, DC 20407

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

MAY 30 10 05 AM '95

PM-313,315

MAY 24 1995

Dear Customer:

Enclosed is the report you requested from the Federal Data Systems Division. We hope that this report has been completed to your satisfaction.

If you have any questions, please call Liz Harris-Marshall on (202) 401-1829 or Louise Oliver on (202) 401-1651.

Sincerely,

ELIZABETH HARRIS-MARSHALL
Program Analyst

Louise Oliver
LOUISE OLIVER
Program Analyst

97043850126



FEDERAL PROCUREMENT DATA SYSTEM (FPDS)
INDIVIDUAL CONTRACT ACTION REPORT

AGENCY REPORT CONTROL NUMBER
0206 - GSA - QU

1. REPORTING AGENCY (FIPS 95) RPTAG	2. CONTRACT NUMBER (Left justified) CONTRACT	3. MODIFICATION NUMBER (Left justified) MOD	4. CONTRACTING OFFICE ORDER NUMBER (Left justified) ORDER
---	--	---	---

5. CONTRACTING OFFICE CNTROFF	6. ACTION DATE ADATE	7. TYPE OF DATA ENTRY TYENT	8. REPORT PERIOD RPERD	9. KIND OF CONTRACT ACTION KCA
---	--------------------------------	---------------------------------------	----------------------------------	--

10. DOLLARS OBLIGATED OR DEOBLIGATED THIS ACTION (Round to nearest 1000, right justified) (Use lead zeros) DOLLARS 0100	11. TYPE OF ACTION TYOABL	12. PRINCIPAL PRODUCT OR SERVICE (FPDS Product/Service Code Manual) PSC	13. PRINCIPAL STANDARD INDUSTRIAL CLASSIFICATION (SIC CODE) (OASD SIC Manual) SIC
---	-------------------------------------	---	---

14. ADVISORY/ ASSISTANCE SERVICES AWARD AASA	15. CONTRACTOR NAME CNTRNAME	16. CONTRACTOR ESTABLISHMENT CODE CEC
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17. PRINCIPAL PLACE OF PERFORMANCE (State or U.S. outlying area, city or place - FIPS 55) STATE PLACE	18. CONTRACT FOR FOREIGN GOVERNMENT OR INTERNATIONAL ORGANIZATION FRNGOV	19. TARIFF OR REGULATED (Pre-CCA) TAREG
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20. NO. OF BIDDERS OFFERING FOREIGN ITEM NUMBID	21. BUY AMERICAN ACT PERCENT DIFFERENCE PCTDIFF	22. COUNTRY OF MANUFACTURE (FIPS 10-3) CAMFG	23. SYNOPSIS OF PROCUREMENT PRIOR TO AWARD SPA	24. TYPE OF CONTRACT OR MODIFICATION TYCCTR
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25. CICA APPLICABILITY CICA	26. SOLICITATION PROCEDURES (Complete only if Item 25 = A) SPROC
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27. AUTHORITY FOR OTHER THAN FULL AND OPEN COMPETITION (Complete only if Item 26 = L) CAUTH	28. NUMBER OF OFFERS RECEIVED (Complete only if Item 25 = A) NUMOFFR	29. EXTENT COMPETED EXCOMP
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30. TYPE OF CONTRACTOR TCNTR	31. WOMAN-OWNED SMALL BUSINESS WOSB	32. PREFERENCE PROGRAM PPROG
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33. SUBCONTRACTING PLAN (Small and Small Disadvantaged Business) SPLAN	34. SUBJECT TO LABOR STATUTES LABSTAT	35. ESTIMATED CONTRACT COMPLETION DATE ECD	36. CONTRACTOR'S TIN CNTR TIN
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37. COMMON PARENT'S NAME PARENTNAME	38. COMMON PARENT'S TIN PARENT TIN
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39. RESERVED FOR FPDS	40. RESERVED FOR FPDS	41. RESERVED FOR FPDS
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42. DEMONSTRATION TEST PROGRAM DEMTEST	43. EMERGING SMALL BUSINESS EMSMALL	44. EMERGING SMALL BUSINESS RESERVE AWARD EMSMALL AWARD	45. SIZE OF SMALL BUSINESS SIZESMALL
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46. RESERVED FOR FPDS	47. OPTIONAL REPORTED DATA ELEMENTS MYC/DODCL/DODSE/SMALLDIS/DD350/NASAPPT/HCAWT/PROFIT/SBB/ETHNIC/
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FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

Dec 12 4 42 PM '95

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

Pre-MURs 313 and 315
Date of Sua Sponte Submissions:
March 27, 1995 and April 24, 1995
Date Activated: May 15, 1995

Staff Member: Mark Allen

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
Elliott Millenson
James Barr
Margaret Blosser
William Pagels
Bruce Decker

RELEVANT STATUTES: 2 U.S.C. § 441b(a)
2 U.S.C. § 441c
2 U.S.C. § 441f

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: General Services Administration

I. GENERATION OF MATTER

The Office of General Counsel received sua sponte submissions from Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Ortho"), dated March 27, 1995, and from a former DAD executive dated April 24, 1995 regarding Ortho's reimbursement of contributions by several DAD employees and a consultant (Attachment 1, pages 1 and 124).

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for a corporation to make a contribution in connection with a federal election. This provision also forbids corporate officers from

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consenting to a corporation's contribution. Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. This prohibition extends to persons knowingly assisting in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii). In addition, no person shall knowingly accept corporate contributions or contributions made by one person in the name of another person. 2 U.S.C. §§ 441b(a) and 441f. Finally, 2 U.S.C. § 441c prohibits any person who enters into a U.S. government contract from directly or indirectly making any contribution of money or other things of value to any federal candidate.

B. Factual and Legal Analysis

1. Direct Access Diagnostics sua sponte submission

On March 27, 1995, counsel for DAD submitted a letter with documents advising this Office of an "apparent inadvertent violation" of the Act. Attachment 1, page 1. The letter states that DAD is a division of Ortho Pharmaceutical Corporation, a Delaware corporation, which is in turn a wholly-owned subsidiary of Johnson & Johnson, Inc., a New Jersey corporation.¹ According to the letter, it came to the attention of Johnson & Johnson that "contrary to policy, certain political contributions made by employees and a consultant of DAD from their personal funds were reimbursed through business expense reimbursements." The submission states that Johnson & Johnson "immediately initiated" a

1. It appears that DAD was formerly known as Diversified Diagnostics, Inc. and merged into Ortho in 1994.

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number of steps including contacting the DAD employees and consultant in question to determine the extent of the reimbursements; instructing the Chief Financial Officer of DAD to conduct an internal review to determine all political contributions that may have been submitted for reimbursement or otherwise made directly by DAD; conducting an "independent investigation" at the direction of the Johnson & Johnson Office of General Counsel; instructing DAD to obtain "refunds" from the employees and consultant for the reimbursements of the contributions;² and taking steps, including training, to ensure that employees are aware of the prohibition on the reimbursement of contributions. Attachment 1, page 2. The letter further states that, based on these reviews, all reimbursed contributions have been identified, and concludes, in light of the unintentional nature of the activity and the steps taken by DAD and Johnson & Johnson, that no further Commission action is warranted. Attachment 1, page 3.

The contributions identified in the submission total \$10,000 and were all made during the 1994 election cycle.³ The public record confirms the contributions, which are listed on the chart below.

2. The letter notes that DAD has not yet received a refund from one employee, Margaret Blosser, who no longer works for DAD. The letter states that she has been asked to refund the amount and that counsel will forward follow-up documentation when it is received.

3. A chart in the submission lists the contributions by recipient and by check date. Attachment 1, page 29.

<u>Contributor</u>	<u>Recipient</u>	<u>Amount</u>	<u>Reported Date</u>
Elliott Millenson	Comm. t/e Sen. Kennedy	\$ 500	12/05/93
	New American Century Fund	\$ 500	2/24/94
	Citizens for Harkin	\$ 250	5/20/94
	Friends of Marjorie M. Mezvinsky	\$ 250	10/13/94
	Comm. t/e Steven Chabot	\$1,000	10/26/94
	Salmon for Congress	\$1,000	10/26/94
	Bilbray for Congress	\$1,000	10/27/94
	Hastings '94	\$1,000	10/28/94
	Ehrlich for Congress	\$1,000	10/31/94
	James Barr/D.A. Jones-Barr	Comm. t/e Sen. Kennedy	\$ 500
Margaret Blosser	Comm. t/e Sen. Kennedy	\$ 500	12/05/93
Bruce Decker	California Victory '94	\$2,000	10/13/94 ⁵
William Pagels	Comm. t/e Sen. Kennedy	\$ 500	12/05/93

A search of the public record indicates no other contributions by Messrs. Millenson, Barr, Pagels, and Ms. Blosser since 1990. Bruce Decker, however, has made the following additional contributions totaling \$3,000 since 1990:

<u>Recipient</u>	<u>Amount</u>	<u>Reported Date</u>
Campbell for U.S. Senate	\$ 250	3/31/92
DCCC	\$ 250	5/12/93
Comm. to Re-elect Sen. Edward Kennedy	\$ 500	12/05/93
Comm. to Re-elect Harry Johnston	\$ 500	9/20/94
Feinstein for Senate '94	\$1,000	10/13/94
Comm. for Sam Gibbons	\$ 500	10/25/94

The submission does not mention these additional contributions.

It appears through the documents provided that Elliott

4. James Barr and Debra Anne Jones-Barr co-signed the contribution check. Attachment 1, page 44. The Kennedy Committee allocated the \$500 contribution between Mr. Barr and Ms. Jones-Barr.

5. The California Victory '94 Committee, a multi-candidate committee, reported receiving three contributions from Mr. Decker on this date totaling \$2,000.

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Millenson was president of DAD and James Barr was vice president for finance. The documents provided do not indicate specific DAD positions of Margaret Blosser and William Pagels, who are identified on Kennedy Committee disclosure reports as DAD "executives." Bruce Decker was a consultant to DAD and served as president of Health Policy & Research Foundation, a non-profit corporation which received significant funds from DAD. Attachment 1, pages 23-25.

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The submission includes documentation of the contributions and the reimbursements. Included are copies of each original contribution check except for Bruce Decker's, each drawn on a personal account, and copies of the DAD expense reports filed by contributors covering all of the contributions. The expense reports vary in their descriptions of the contributions: most are specific, i.e., "contribution to Senator Kennedy Campaign;" two state only "contribution;" and James Barr's expense report which contains no description, only a date and an amount. Attachment 1, pages 31, 39, and 43. Copies of the Ortho reimbursement checks to contributors are provided except for that to Bruce Decker. The reimbursements followed the contributions by periods ranging from one week to two months. Attachment 1, page 29 (chart). The submission states that after Johnson & Johnson realized the illegality, it had the contributors refund the reimbursements by checks to Ortho dated between February 15, 1995 and March 6, 1995.⁶ Id. The submission only includes one such refund check to

6. Several of the refunds were mistakenly dated February 15, 1994 on the chart in the submission. Attachment 1, page 29. As noted above in footnote 2, the submission states that former DAD

Ortho, that for Bruce Decker's \$2,000 contribution. Significantly, however, that check is drawn on the account of Health Policy & Research Foundation, a corporation, of which Mr. Decker is president.⁷ Attachment 1, page 123.

The submission also includes a copy of a memorandum dated November 22, 1993 from James Barr, then DAD vice president for finance, to Mr. F. Campbell, stating that DAD

has made a \$2,000 contribution to the re-election of Senator Kennedy in 1994. The contribution was made up of 4 \$500 checks for seats at a dinner made individually by 4 employees of Direct Access. We are processing these checks through expense reports. . . . We realize this is not normal J&J procedure and have contacted Corporate's Government Affairs Office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report.

Please process these as soon as possible; if you have any questions give me a call at 253-6407.

Attachment 1, page 53. This memorandum, which predates the reimbursements, contains handwriting from "Deb" asking Mr. Campbell to see "Andrea" on this issue and stating that James Barr called to check.

2. Elliott Millenson sua sponte submission

On April 24, 1995, counsel for "an individual who was formerly employed, as a senior executive, by a New Jersey company which is a division of Ortho Pharmaceutical Corporation," submitted a letter advising this Office of the client's federal contributions that were "subsequently, though mistakenly

(Footnote 6 continued from previous page)
employee Margaret Blosser has not yet refunded the reimbursement.

7. The check contains the names of both the foundation and Mr. Decker as its president. Thus, the account appears to be Mr. Decker's corporate account.

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reimbursed to [the] client." Attachment 1, page 124. Curiously, the letter does not identify the client, but it is clear from the cited overall amounts and dates of the reimbursed contributions that the client is Elliott Millenson, president of DAD at the time of the contributions. Counsel states that while his client is not aware of the exact text of the earlier DAD submission, it is his client's "understanding that the facts as outlined in [the DAD] letter may be at variance with the facts as they are known to" Mr. Millenson. Prior to making the first of the federal contributions, counsel continues, Mr. Millenson asked the director of finance at DAD about the legality of seeking reimbursement from the company because Millenson "was unclear about the ability of a company" to reimburse contributions.⁸ The director of finance reported back to Mr. Millenson that while the corporate parent's own internal policy was not to reimburse the political contributions of employees, such reimbursements were not illegal. Counsel states that Mr. Millenson understood, "based on his knowledge of Johnson & Johnson's decentralized management, that each division, including Ortho, had the ability to unilaterally establish policy guidance in areas such as this." Mr. Millenson, however, "continued to be sufficiently concerned about such a potential reimbursement," that he asked the director of finance to directly contact

a senior manager in the Government Relations office of Johnson & Johnson, in Washington, D.C., to ask whether an employee could make contributions directly to a

8. It is unclear from the available information whether the director of finance was James Barr, otherwise identified as the DAD vice president for finance.

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candidate committee, rather than having such contribution made by the Government Relations office, presumably through a 'separate segregated fund' or political action committee maintained by the corporation.

Attachment 1, page 125. Counsel relates that Mr. Millenson received the advice from that office that he was free to contribute directly to the federal committees he chose to support. The letter then states that "[i]n reliance upon the advise [sic] received from both his director of finance and from the parent company's Washington government affairs office, my client made the contributions and thereafter sought, and received, a reimbursement of these contributions, as an itemized business expenses, from Ortho."

The letter is unclear whether the contribution question was specifically posed to the government affairs office regarding reimbursements or whether it was limited to the issue of making contributions directly to candidate committees as opposed to through the company PAC. If the reimbursement question was posed, the letter seems to raise a question whether contributions to the PAC were reimbursed. The public record, however, indicates no contributions to Johnson & Johnson's separate segregated fund from any of the five contributors in this matter.⁹

Counsel then states that in December 1994 Mr. Millenson learned for the first time that such reimbursement is illegal. Counsel provides no explanation of the circumstances of this event. Mr. Millenson sought counsel and apprised DAD officials of the "mistake." Present counsel was retained on February 15, 1995,

9. Ortho has no separate segregated fund.

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and on that day Mr. Millenson wrote to Peter Tattle, Johnson & Johnson Company Group Chairman regarding the circumstances of this matter and enclosing a \$6,500 personal check to refund the reimbursed federal contributions. Attachment 1, page 126. Similar to the initial submission from counsel for DAD, counsel requests that in light of the steps taken in 1995 and the unintentional nature of the activity, that Mr. Millenson "has fulfilled his obligation under federal law to rectify this mistake."

3. Analysis

The letters and documents submitted clearly show that Ortho reimbursed the contributions of DAD employees and a DAD consultant. The reimbursements appear to have been made in the ordinary course of business, i.e., explicitly itemized on expense reports. According to the submissions, four of the five individual contributors have refunded the reimbursements to the corporation. Both submissions request that in light of the unintentional nature of the activity and the steps taken to correct the violations, the Commission take no further action in this matter. This Office disagrees with this suggestion. In view of the seriousness of the violations, this Office intends to investigate this matter and ultimately to recommend conciliation. See infra section III Investigation. Moreover, it appears that the reimbursements may have been carried out in knowing and willful violation of the law.

Significantly, Elliott Millenson apparently had serious doubts about the legality of the reimbursements. After first

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asking the DAD director of finance, he "continued to be sufficiently concerned about such a potential reimbursement" that he asked the director of finance to directly contact a senior manager in the Government Relations office of Johnson & Johnson, in Washington, D.C., apparently to determine the legality of the reimbursements. Attachment 1, page 125. As counsel stated in Mr. Millenson's submission, "[i]n reliance upon the advise [sic] received from both his director of finance and from the parent company's Washington government affairs office, my client made the contributions and thereafter sought, and received, a reimbursement of these contributions, as an itemized business expenses, from Ortho." Id. Such doubts about the reimbursements are also manifested in James Barr's November 22, 1993 memorandum: "[w]e realize this is not normal J&J procedure and have contacted Corporate's Government Affairs office to inform them of this contribution." Attachment 1, page 53.

A significant question is thus raised why the contributions were reimbursed in the face of doubts about the legality and in recognition of the reimbursement varying from the usual Johnson & Johnson procedure. In light of respondents' willingness to nevertheless carry out the reimbursements, this Office makes knowing and willful recommendations regarding the apparently most culpable respondents, i.e., Ortho, the corporate entity, DAD president Elliott Millenson, and DAD vice president for finance James Barr.

It is clear that Ortho, as the corporate entity, made contributions in the names of Elliott Millenson, James Barr,

Margaret Blosser, Bruce Decker, and William Pagels. Further, this Office has determined that Ortho is a federal contractor. See General Services Administration report at Attachment 2.

Therefore, this Office recommends that the Commission find reason to believe Ortho Pharmaceutical Corporation knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c, and 441f. Elliott Millenson and James Barr were officers of DAD who consented to Ortho's corporate contributions.¹⁰ They allowed their names to be used to make such contributions and also knowingly assisted in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii).

Therefore, this Office recommends that the Commission find reason to believe Elliott Millenson and James Barr each knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f. Margaret Blosser, Bruce Decker, and William Pagels each allowed their names to be used to make such contributions. Accordingly, this Office recommends that the Commission find reason to believe Margaret Blosser, Bruce Decker, and William Pagels each violated 2 U.S.C. § 441f. In light of Mr. Pagels' role being apparently limited to acting as a conduit, the small size of his contributions, and his apparent refund, this Office also recommends that the Commission take no further action and close the file regarding Mr. Pagels.

Regarding Ortho's parent corporation, Johnson & Johnson, the

10. Messrs. Millenson and Barr were officers of DAD and apparently not officers of Ortho. However, this Office considers section 441b(a) liability to attach to individuals acting as corporate officers. See MUR 2575 (Toshiba). These two individuals were titled officers of a division of Ortho and caused Ortho to reimburse the contributors. For example, the approval signatures of James Barr and Elliott Millenson appear on the expense reports. See, e.g., Attachment 1, pages 30 and 119.

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DAD and Elliott Millenson submissions both cast light on its role in the events in this matter. DAD states that the reimbursements were "contrary to [Johnson & Johnson] policy," specifically, that the corporation's Policy on Business Conduct "precludes an employee, directly or indirectly, from contributing corporate funds to any political party, candidate or campaign unless such a use is an accepted and lawful practice." The DAD submission, however, also includes James Barr's November 22, 1993 memorandum, which states that Johnson & Johnson was informed of the proposed \$2,000 reimbursement of contributions to the Kennedy Committee. Elliott Millenson states in his submission that he sought guidance from Johnson & Johnson and that he received advice from the corporation that the reimbursements were legal. Because it appears that the corporation may have approved the reimbursements of the contributions, this Office recommends that the Commission find reason to believe that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the name of another. See 11 C.F.R. § 110.4(b)(1)(iii).

This Office makes no recommendations at this time regarding the recipient committees, in light of the lack of any evidence that any of the committees were aware of the nature of the reimbursements.¹¹ See 2 U.S.C. § 441f. The contribution checks

11. One recipient, California Victory '94, filed a termination report on February 6, 1995. In light of outstanding questions regarding the resolution of a debt, the Reports Analysis Division denied the termination on April 26, 1995. The Committee submitted an explanation on June 7, 1995. This Office has approved the termination, and RAD's response to the Committee is pending.

provided were drawn on the individual contributors' accounts.

III. INVESTIGATION

Although the sua sponte submissions provide significant information regarding the reimbursement of the contributions, in light of issues such as the possible knowing and willful character of the violations and the refund of Bruce Decker's \$2,000 contribution drawn on a corporation account, this Office will conduct a limited investigation in this matter.

As noted above, refunds of the reimbursed contributions were not sought from the recipient committees, but rather from the five individual contributors.¹² This Office will obtain documentation of the refunds by Elliott Millenson, James Barr, and William Pagels. Under no circumstances could this Office consider Bruce Decker's contribution to be properly refunded, in light of the use of corporate funds, and we intend to instruct Mr. Decker to refund his \$2,000 reimbursement with personal funds. Further, depending on the investigation in this matter, this Office may recommend not pursuing former DAD employee Margaret Blosser, the sole contributor who has not refunded the reimbursement of her contribution.

Additional issues to investigate include 1) the possibility that one or more of Bruce Decker's additional contributions was reimbursed, especially one on the same day to the Kennedy Committee as four reimbursed contributions; and 2) the need to flesh out Elliott Millenson's version of the facts of this matter

12. Ordinarily, correction of this type of violation is achieved via refunds from the committees.

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in light of the variation between his submission and the DAD submission.

In light of the significant information already available, this Office does not recommend document subpoenas to the corporations but rather will focus on the apparent centrally involved individuals Elliott Millenson and James Barr. Thus, this Office recommends that the Commission approve document and deposition subpoenas to these two individuals.

Finally, this Office will admonish William Pagels for his participation in the reimbursement activity.

IV. RECOMMENDATIONS

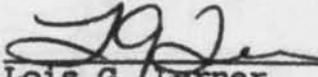
1. Open a MUR.
2. Find reason to believe that Ortho Pharmaceutical Corporation knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c, and 441f.
3. Find reason to believe that Elliott Millenson and James Barr each knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.
4. Find reason to believe that Margaret Blosser, Bruce Decker, and William Pagels each violated 2 U.S.C. § 441f.
5. Take no further action and close the file regarding William Pagels.
6. Find reason to believe that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f.
7. Approve deposition and document subpoenas to Elliott Millenson and James Barr.
8. Approve the attached Factual and Legal Analyses.

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9. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

12-12-95
Date


BY: Lois G. Derner
Associate General Counsel

Attachments:

1. Sua sponte materials
2. General Services Administration submission
3. Factual and Legal Analyses
4. Sample Subpoenas for Deposition and Documents

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS 
COMMISSION SECRETARY

DATE: DECEMBER 22, 1995

SUBJECT: PRE-NURS 313 & 315 - FIRST GENERAL COUNSEL'S
REPORT DATED DECEMBER 12, .
1995.

The above-captioned document was circulated to the
Commission on Wednesday, December 13, 1995 at 11:00 .

Objection(s) have been received from the
Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	<u>XXX</u>
Commissioner Elliott	<u>XXX</u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u>XXX</u>
Commissioner Potter	<u> </u>
Commissioner Thomas	<u> </u>

This matter will be placed on the meeting agenda
for Tuesday, January 9, 1995. .

Please notify us who will represent your Division before
the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ortho Pharmaceutical Corporation;)
Johnson & Johnson, Inc.;)
Elliott Millenson;)
James Barr;)
Margaret Blosser;)
William Pagels;)
Bruce Decker)

MUR 4297
Pre-MURS 313 and 315

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on January 23, 1996, do hereby certify that the Commission took the following actions with respect to Pre-MURS 313 and 315:

1. Failed on a vote of 3-2 to pass a motion to
 - a) Open a MUR.
 - b) Find reason to believe that Ortho Pharmaceutical Corporation knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c, and 441f.
 - c) Find reason to believe that Elliott Millenson and James Barr each knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.
 - d) Find reason to believe that Margaret Blosser, Bruce Decker, and William Pagels each violated 2 U.S.C. § 441f.

(continued)

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- e) Take no further action and close the file regarding William Pagels.
- f) Find reason to believe that Johnson & Johnson violated 2 U.S.C. § 441f.
- g) Approve deposition and document subpoenas to Elliott Millenson and James Barr.
- h) Approve the Factual and Legal Analyses attached to the General Counsel's December 15, 1995 report.
- i) Approve the appropriate letters as recommended in the General Counsel's December 15, 1995 report.

Commissioners McDonald, McGarry, and Thomas voted affirmatively for the motion. Commissioners Aikens and Elliott dissented.

2. Decided by a vote of 5-0 to

- a) Open a MUR.
- b) Find reason to believe that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f.
- c) Find reason to believe that Elliott Millenson and James Barr each violated 2 U.S.C. §§ 441b(a) and 441f.
- d) Find reason to believe that Margaret Blosser, Bruce Decker, and William Pagels each violated 2 U.S.C. § 441f and take no further action.

(continued)

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- e) Close the file regarding William Pagels.
- f) Find reason to believe that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f and take no further action.
- g) Return the Factual and Legal Analyses attached to the General Counsel's December 12, 1995 report for revision and circulation for Commission approval.
- h) Enter into pre-probable cause to believe conciliation and request the General Counsel to prepare proposed conciliation agreements and circulate them for Commission approval.

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

Attest:

1-26-96
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

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In the Matter of)

Ortho Pharmaceutical Corporation)
Elliott Millenson)
James Barr)

MUR 4297

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

In the First General Counsel's Report dated December 12, 1995 ("December 1995 Report"), this Office recommended that the Commission make knowing and willful reason to believe findings and initiate an investigation in this matter. On January 23, 1996, the Commission made reason to believe findings but decided not to pursue the violations as knowing and willful and decided not to investigate this matter. Instead, the Commission determined to enter pre-probable cause conciliation with the central respondents, i.e., Ortho Pharmaceutical Corporation, Elliott Millenson, and James Barr, and to take no further action regarding the other respondents. Accordingly, this Office now submits factual and legal analyses and conciliation agreements for Commission approval.

II. ANALYSIS

A. Factual and Legal Analyses

The factual and legal analyses included with the December 1995 Report have been revised to remove the knowing and willful findings for respondents Ortho, Elliott Millenson, and James Barr. Attachment 1.

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B. Conciliation Agreements

C. Other Respondents

On January 23, 1996, the Commission took no further action regarding Margaret Blosser, Bruce Decker, William Pagels, and Johnson & Johnson, Inc. The Commission also determined to close the file regarding William Pagels. Accordingly, this Office now recommends that the Commission close the file regarding Margaret Blosser, Bruce Decker, and Johnson & Johnson, Inc.

Finally, in the December 1995 Report this Office stated that it would admonish William Pagels for his participation in the reimbursement activity. In light of the Commission's no further action determinations regarding Margaret Blosser, Bruce Decker, and Johnson & Johnson, Inc., this Office will admonish these respondents as well.

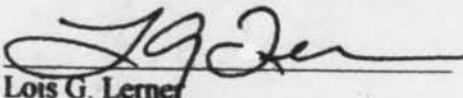
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III. RECOMMENDATIONS

- 1. Approve the attached Factual and Legal Analyses.
- 2. Approve the attached Conciliation Agreements.
- 3. Close the file regarding Margaret Blosser, Bruce Decker, and Johnson & Johnson, Inc.
- 4. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

Date 2/12/96

BY: 
Lois G. Lerner
Associate General Counsel

Attachments:

- 1. Factual and Legal Analyses
- 2. Conciliation Agreements

Staff assigned: Mark Allen

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ortho Pharmaceutical Corporation;) MUR 4297
Elliott Millenson;)
James Barr.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 16, 1996, the Commission decided by a vote of 4-0 to take the following actions in MUR 4297:

1. Approve the Factual and Legal Analyses, as recommended in the General Counsel's Report dated February 12, 1996.
2. Approve the Conciliation Agreements, as recommended in the General Counsel's Report dated February 12, 1996.
3. Close the file regarding Margaret Blosser, Bruce Decker, and Johnson & Johnson, Inc.
4. Approve the appropriate letters, as recommended in the General Counsel's Report dated February 12, 1996.

Commissioners Aikens, Elliott, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

2/21/96
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:	Tues., Feb. 13, 1996	9:41 a.m.
Circulated to the Commission:	Tues., Feb. 13, 1996	4:00 p.m.
Deadline for vote:	Fri., Feb. 16, 1996	4:00 p.m.

bjr

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 26, 1996

Mr. William R. Pagels
161 Monmouth Blvd.
Oceanport, NJ 07757

RE: MUR 4297

Dear Mr. Pagels:

On January 23, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that a person making a contribution in the name of another or knowingly permitting his or her name to be used to effect such a contribution is in violation of 2 U.S.C. § 441f. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Commissioner

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: William Pagels

MUR: 4297

I. **GENERATION OF MATTER**

This matter was generated based on information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. **FACTUAL AND LEGAL ANALYSIS**

A. **The Law**

The Federal Election Campaign Act of 1971, as amended, provides that no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. 2 U.S.C. § 441f.

B. **Factual and Legal Analysis**

William Pagels is an employee of Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Ortho").¹ Mr. Pagels made a \$500 contribution by check dated November 12, 1993 to the Committee to Re-Elect Senator Edward Kennedy. This contribution was listed as an expense on a DAD expense report, and Ortho reimbursed Mr. Pagels for his contribution by check dated December 8, 1993. On March 3, 1995, Mr. Pagels apparently refunded the reimbursement to Ortho.

William Pagels thus knowingly allowed his name to be used to effect a contribution by Ortho. Accordingly, there is reason to believe William Pagels violated 2 U.S.C. § 441f.

¹ It appears that DAD was formerly known as Diversified Diagnostics, Inc. and merged into Ortho in 1994.

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 26, 1996

Mr. Bruce Decker
162 N. Lapeer Drive
Beverly Hills, CA 90211

RE: MUR 4297

Dear Mr. Decker:

On January 23, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. However, after considering the circumstances of this matter, the Commission also determined to take no further action, and on February 16, 1996, closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that a person making a contribution in the name of another or knowingly permitting his or her name to be used to effect such a contribution is in violation of 2 U.S.C. § 441f. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Commissioner

Enclosure
Factual and Legal Analysis

97043850153

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Bruce Decker

MUR: 4297

I. GENERATION OF MATTER

This matter was generated based on information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

The Federal Election Campaign Act of 1971, as amended, ("the Act") provides that no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. 2 U.S.C. § 441f. The Act also prohibits corporations from making contributions in connection with federal elections. 2 U.S.C. § 441b(a).

B. Factual and Legal Analysis

Bruce Decker is president of Health Policy & Research Foundation, a non-profit corporation which received significant funds from Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Ortho").¹ Mr. Decker also served as a consultant to DAD. Mr. Decker made a \$2,000 contribution on October 13, 1994, to the California Victory '94 Committee ("Committee"), a federal political committee. This contribution was listed as an expense on a Health Policy Research Foundation request for expense reimbursement, which was

¹ It appears that DAD was formerly known as Diversified Diagnostics, Inc. and merged into Ortho in 1994.

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approved by Elliott Millenson, president of DAD. Ortho apparently reimbursed Mr. Decker for his contribution on November 9, 1994. By check dated March 6, 1995, Mr. Decker refunded the reimbursement to Ortho. However, the refund check appears to be drawn on an account of Health Policy & Research Foundation. Specifically, the check contains the names of both the foundation and Mr. Decker as its president. Thus, the account appears to be Mr. Decker's corporate account. The Act prohibits corporations from making contributions in connection with federal elections, so this payment does not appear to serve as a refund. See 2 U.S.C. § 441b(a). In any event, Bruce Decker knowingly allowed his name to be used to effect a contribution by Ortho. Accordingly, there is reason to believe Bruce Decker violated 2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 26, 1996

Ms. Margaret Blosser
402 Westminster
Flemington, NJ 08822

RE: MUR 4297

Dear Ms. Blosser:

On January 23, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. However, after considering the circumstances of this matter, the Commission also determined to take no further action, and on February 16, 1996, closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that a person making a contribution in the name of another or knowingly permitting his or her name to be used to effect such a contribution is in violation of 2 U.S.C. § 441f. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Commissioner

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Margaret Blosser

MUR: 4297

I. **GENERATION OF MATTER**

This matter was generated based on information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. **FACTUAL AND LEGAL ANALYSIS**

A. **The Law**

The Federal Election Campaign Act of 1971, as amended, provides that no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. 2 U.S.C. § 441f.

B. **Factual and Legal Analysis**

Margaret Blosser was an employee of Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Ortho").¹ Ms. Blosser made a \$500 contribution by check dated November 12, 1993 to the Committee to Re-Elect Senator Edward Kennedy. This contribution was listed as an expense on a DAD expense report, and Ortho reimbursed Ms. Blosser for her contribution by check dated December 1, 1994.²

Margaret Blosser thus knowingly allowed her name to be used to effect a contribution by Ortho. Accordingly, there is reason to believe Margaret Blosser violated 2 U.S.C. § 441f.

¹ It appears that DAD was formerly known as Diversified Diagnostics, Inc. and merged into Ortho in 1994.

² The Ortho check appears to be misdated; the cancelled check indicates that it was deposited in December 1993.

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 26, 1996

Lyn Utrecht, Esq.
Oldaker, Ryan & Leonard
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.

Dear Ms. Utrecht:

On January 23, 1996, the Federal Election Commission found that there is reason to believe Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f, and that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action regarding Johnson & Johnson, Inc. and closed its file as it pertains to this respondent. The Factual and Legal Analyses, which formed the basis for the Commission's findings, are attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter regarding Ortho Pharmaceutical Corporation, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission approved on February 16, 1996.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

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Lyn Utrecht, Esq.
Page 2

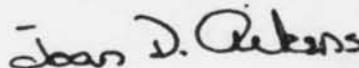
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

Regarding Johnson & Johnson, Inc., the Commission reminds you that a person making a contribution in the name of another or knowingly permitting his or her name to be used to effect such a contribution is in violation of 2 U.S.C. § 441f, and that this prohibition extends to persons knowingly assisting in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii). Your client should take steps to ensure that this activity does not occur in the future.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



Joan D. Aikens
Commissioner

Enclosures
Factual and Legal Analyses
Procedures
Conciliation Agreement

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Ortho Pharmaceutical Corporation

MUR: 4297

I. GENERATION OF MATTER

This matter was generated by a sua sponte submission filed by Direct Access Diagnostics, a division of Ortho Pharmaceutical Corporation, and other information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities.

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

The Federal Election Campaign Act of 1971, as amended, ("the Act") prohibits corporations from making contributions in connection with a federal election. 2 U.S.C. § 441b(a). Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. Further, section 441c prohibits any person who enters into a U.S. government contract from directly or indirectly making any contribution of money or other things of value to any federal candidate.

B. Factual and Legal Analysis

1. Direct Access Diagnostics submission

Direct Access Diagnostics ("DAD"), is a division of Ortho Pharmaceutical Corporation ("Ortho"), which is in turn a wholly-owned subsidiary of Johnson & Johnson, Inc., a New Jersey

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corporation.¹ Elliott Millenson was president of DAD. Certain political contributions made by Elliott Millenson and other employees and a consultant of DAD from their personal funds were reimbursed through business expense reimbursements. The contributions total \$10,000 and were all made during the 1994 election cycle:

<u>Contributor</u>	<u>Recipient</u>	<u>Amount</u>	<u>Date</u>
Elliott Millenson	Comm. t/e Sen. Kennedy	\$ 500	11/11/93
	New American Century Fund	\$ 500	2/24/94
	Citizens for Harkin	\$ 250	4/27/94
	Friends of Marjorie M. Mezvinsky	\$ 250	10/03/94
	Comm. t/e Steven Chabot	\$1,000	10/25/94
	Salmon for Congress	\$1,000	10/25/94
	Bilbray for Congress	\$1,000	10/25/94
	Hastings '94	\$1,000	10/25/94
	Ehrlich for Congress	\$1,000	10/25/94
	James Barr/D.A. Jones-Barr	Comm. t/e Sen. Kennedy	\$ 500
Margaret Blosser	Comm. t/e Sen. Kennedy	\$ 500	11/12/93
Bruce Decker	California Victory '94	\$2,000	10/13/94 ³
William Pagels	Comm. t/e Sen. Kennedy	\$ 500	11/12/93

James Barr, Margaret Blosser and William Pagels were DAD employees; Bruce Decker was a consultant to DAD and served as president of Health Policy & Research Foundation, a non-profit

1. It appears that DAD was formerly known as Diversified Diagnostics, Inc. and merged into Ortho in 1994.
2. James Barr and Debra Anne Jones-Barr co-signed the contribution check. The Kennedy Committee allocated the \$500 contribution between Mr. Barr and Ms. Jones-Barr.
3. The California Victory '94 Committee, a multi-candidate committee, reported receiving three contributions on this date from Mr. Decker totaling \$2,000.

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corporation which received significant funds from DAD. The submission states that after Johnson & Johnson realized the illegality, it had the contributors refund the reimbursements by checks to Ortho dated between February 15, 1995 and March 6, 1995. The submission only includes one such refund check to Ortho, that for Bruce Decker's \$2,000 contribution. Significantly, however, that check is drawn on the account of Health Policy & Research Foundation, a corporation, of which Mr. Decker is president.

The submission also includes a copy of a memorandum dated November 22, 1993 from James Barr, then DAD vice president for finance, to Mr. F. Campbell, stating that DAD

has made a \$2,000 contribution to the re-election of Senator Kennedy in 1994. The contribution was made up of 4 \$500 checks for seats at a dinner made individually by 4 employees of Direct Access. We are processing these checks through expense reports . . . We realize this is not normal J&J procedure and have contacted Corporate's Government Affairs Office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report.

Please process these as soon as possible; if you have any questions give me a call at 253-6407.

This memorandum, which predates the reimbursements, contains handwriting from "Deb" asking Mr. Campbell to see "Andrea" on this issue and stating that James Barr called to check.

2. Additional information

Prior to making the first of the federal contributions, Mr. Millenson apparently asked the director of finance at DAD about the legality of seeking reimbursement from the company because he was unclear about the ability of a company to reimburse

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contributions.⁴ The director of finance reported back to Mr. Millenson that while the corporate parent's own internal policy was not to reimburse the political contributions of employees, such reimbursements were not illegal. Mr. Millenson apparently understood, based on his knowledge of Johnson & Johnson's decentralized management, that each division, including Ortho, had the ability to unilaterally establish policy guidance in areas such as this. Mr. Millenson, however, continued to be sufficiently concerned about such a potential reimbursement, that he asked the director of finance to directly contact a senior manager in the Government Relations office of Johnson & Johnson, in Washington, D.C., to ask whether an employee could make contributions directly to a candidate committee, rather than having such contribution made by the Government Relations office, presumably through a 'separate segregated fund' or political action committee maintained by the corporation. Mr. Millenson received the advice from that office that he was free to contribute directly to the federal committees he chose to support. Apparently in reliance upon the advice received from both his director of finance and from the parent company's Washington government affairs office, Mr. Millenson made the contributions and thereafter sought, and received, a reimbursement of these contributions, as itemized business expenses, from Ortho.

In December 1994 Mr. Millenson apparently learned for the first time that such reimbursement is illegal. He sought counsel

4. It is unclear from the available information whether the director of finance was James Barr, otherwise identified as the DAD vice president for finance.

and apprised DAD officials of the "mistake." Mr. Millenson wrote to Peter Tattle, Johnson & Johnson Company Group Chairman regarding the circumstances of this matter and enclosing a \$6,500 personal check to refund the reimbursed federal contributions.

3. Analysis

It is clear that Ortho made contributions in the names of Elliott Millenson, James Barr, Margaret Blosser, Bruce Decker, and William Pagels. Further, the Commission has determined that Ortho is a federal contractor. Therefore, there is reason to believe Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f.

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Johnson & Johnson, Inc.

MUR: 4297

I. GENERATION OF MATTER

This matter was generated based on information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

The Federal Election Campaign Act of 1971, as amended, ("the Act") prohibits corporations from making contributions in connection with a federal election. 2 U.S.C. § 441b(a). Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. This prohibition extends to persons knowingly assisting in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii).

B. Factual and Legal Analysis

1. Contributions and Reimbursements

Johnson & Johnson, Inc. is a New Jersey corporation that wholly-owns Ortho Pharmaceutical Corporation ("Ortho"). Direct Access Diagnostics ("DAD") is a division of Ortho.¹ Elliott Millenson and James Barr were DAD President and Vice President for Finance, respectively. Certain political contributions made by Elliott Millenson, James Barr, and other employees and a

1. It appears that DAD was formerly known as Diversified Diagnostics, Inc. and merged into Ortho in 1994.

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consultant of DAD from their personal funds were reimbursed through business expense reimbursements. The contributions total \$10,000 and were all made during the 1994 election cycle:

<u>Contributor</u>	<u>Recipient</u>	<u>Amount</u>	<u>Date</u>
Elliott Millenson	Comm. t/e Sen. Kennedy	\$ 500	11/11/93
	New American Century Fund	\$ 500	2/24/94
	Citizens for Harkin	\$ 250	4/27/94
	Friends of Marjorie M. Mezvinsky	\$ 250	10/03/94
	Comm. t/e Steven Chabot	\$1,000	10/25/94
	Salmon for Congress	\$1,000	10/25/94
	Bilbray for Congress	\$1,000	10/25/94
	Hastings '94	\$1,000	10/25/94
	Ehrlich for Congress	\$1,000	10/25/94

James Barr/D.A. Jones-Barr	Comm. t/e Sen. Kennedy	\$ 500	11/12/93 ²
Margaret Blosser	Comm. t/e Sen. Kennedy	\$ 500	11/12/93
Bruce Decker	California Victory '94	\$2,000	10/13/94 ³
William Pagels	Comm. t/e Sen. Kennedy	\$ 500	11/12/93

Margaret Blosser and William Pagels were DAD employees; Bruce Decker was a consultant to DAD and served as President of Health Policy & Research Foundation, a non-profit corporation which received significant funds from DAD. The contributors apparently refunded the reimbursements by checks to Ortho dated between February 15, 1995 and March 6, 1995.

In a memorandum dated November 22, 1993, to Mr. F. Campbell, James Barr stated that DAD

2. James Barr and Debra Anne Jones-Barr co-signed the contribution check. The Kennedy Committee allocated the \$500 contribution between Mr. Barr and Ms. Jones-Barr.

3. The California Victory '94 Committee, a multi-candidate committee, reported receiving three contributions on this date from Mr. Decker totaling \$2,000.

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has made a \$2,000 contribution to the re-election of Senator Kennedy in 1994. The contribution was made up of 4 \$500 checks for seats at a dinner made individually by 4 employees of Direct Access. We are processing these checks through expense reports . . . We realize this is not normal J&J procedure and have contacted Corporate's Government Affairs Office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report.

Please process these as soon as possible; if you have any questions give me a call at 253-6407.

This memorandum predates the reimbursements.

2. Additional information

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Prior to making the first of the federal contributions, Mr. Millenson apparently asked the director of finance at DAD about the legality of seeking reimbursement from the company because he was unclear about the ability of a company to reimburse contributions.⁴ The director of finance reported back to Mr. Millenson that while the corporate parent's own internal policy was not to reimburse the political contributions of employees, such reimbursements were not illegal. Mr. Millenson apparently understood, based on his knowledge of Johnson & Johnson's decentralized management, that each division, including Ortho, had the ability to unilaterally establish policy guidance in areas such as this. Mr. Millenson, however, continued to be sufficiently concerned about such a potential reimbursement, that he asked the director of finance to directly contact a senior manager in the Government Relations office of Johnson & Johnson, in Washington, D.C., to ask whether an employee could

4. It is unclear from the available information whether the director of finance was James Barr, otherwise identified as the DAD Vice President for Finance.

make contributions directly to a candidate committee, rather than having such contribution made by the Government Relations office, presumably through a 'separate segregated fund' or political action committee maintained by the corporation.

Mr. Millenson received the advice from that office that he was free to contribute directly to the federal committees he chose to support. Apparently in reliance upon the advice received from both his director of finance and from the parent company's Washington government affairs office, Mr. Millenson made the contributions and thereafter sought, and received, a reimbursement of these contributions, as itemized business expenses, from Ortho.

3. Analysis

It is clear that Ortho made contributions in the names of Elliott Millenson, James Barr, Margaret Blosser, Bruce Decker, and William Pagels. Regarding Ortho's parent corporation, Johnson & Johnson, the available information casts light on its role in the events in this matter. James Barr's November 22, 1993 memorandum states that Johnson & Johnson was informed of the proposed \$2,000 reimbursement of contributions to the Kennedy Committee. Elliott Millenson sought guidance from Johnson & Johnson and apparently received advice from the corporation that the reimbursements were legal. Because it appears that the corporation may have approved the reimbursements of the contributions, there is reason to believe that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f by knowingly assisting in

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the making of contributions in the name of another. See 11 C.F.R.
§ 110.4(b) (1) (iii).

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 26, 1996

William B. Canfield, Esq.
Holland & Knight
2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037

RE: MUR 4297
Elliott Millenson

Dear Mr. Canfield:

On January 23, 1996, the Federal Election Commission found that there is reason to believe Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission approved on February 16, 1996.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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William B. Canfield, Esq.

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This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Commissioner

Enclosures
Factual and Legal Analysis
Procedures
Conciliation Agreement

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Elliott Millenson

MUR: 4297

I. GENERATION OF MATTER

This matter was generated by a sua sponte submission filed by Elliott Millenson and other information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities.

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

The Federal Election Campaign Act of 1971, as amended, ("the Act") prohibits corporations from making contributions in connection with a federal election. 2 U.S.C. § 441b(a). This provision also forbids corporate officers from consenting to a corporation's contribution. Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. This prohibition extends to persons knowingly assisting in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii).

B. Factual and Legal Analysis

1. Contributions and Reimbursements

Elliott Millenson was President of Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Ortho"), which is in turn a wholly-owned subsidiary of Johnson & Johnson,

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Inc., a New Jersey corporation.¹ Certain political contributions made by Elliott Millenson and other employees and a consultant of DAD from their personal funds were reimbursed through business expense reimbursements. The contributions total \$10,000 and were all made during the 1994 election cycle:

<u>Contributor</u>	<u>Recipient</u>	<u>Amount</u>	<u>Date</u>
Elliott Millenson	Comm. t/e Sen. Kennedy	\$ 500	11/11/93
	New American Century Fund	\$ 500	2/24/94
	Citizens for Harkin	\$ 250	4/27/94
	Friends of Marjorie M. Mezvinsky	\$ 250	10/03/94
	Comm. t/e Steven Chabot	\$1,000	10/25/94
	Salmon for Congress	\$1,000	10/25/94
	Bilbray for Congress	\$1,000	10/25/94
	Hastings '94	\$1,000	10/25/94
	Ehrlich for Congress	\$1,000	10/25/94
	James Barr/D.A. Jones-Barr	Comm. t/e Sen. Kennedy	\$ 500
Margaret Blosser	Comm. t/e Sen. Kennedy	\$ 500	11/12/93
Bruce Decker	California Victory '94	\$2,000	10/13/94 ³
William Pagels	Comm. t/e Sen. Kennedy	\$ 500	11/12/93

James Barr, Margaret Blosser and William Pagels were DAD employees; Bruce Decker was a consultant to DAD and served as President of Health Policy & Research Foundation, a non-profit corporation which received significant funds from DAD. The

1. It appears that DAD was formerly known as Diversified Diagnostics, Inc. and merged into Ortho in 1994.

2. James Barr and Debra Anne Jones-Barr co-signed the contribution check. The Kennedy Committee allocated the \$500 contribution between Mr. Barr and Ms. Jones-Barr.

3. The California Victory '94 Committee, a multi-candidate committee, reported receiving three contributions on this date from Mr. Decker totaling \$2,000.

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contributors apparently refunded the reimbursements by checks to Ortho dated between February 15, 1995 and March 6, 1995.

In a memorandum dated November 22, 1993, James Barr, then DAD Vice President for Finance, to Mr. F. Campbell, stated that DAD

has made a \$2,000 contribution to the re-election of Senator Kennedy in 1994. The contribution was made up of 4 \$500 checks for seats at a dinner made individually by 4 employees of Direct Access. We are processing these checks through expense reports . . . We realize this is not normal J&J procedure and have contacted Corporate's Government Affairs Office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report.

Please process these as soon as possible; if you have any questions give me a call at 253-6407.

This memorandum predates the reimbursements.

2. Elliott Millenson submission

On April 24, 1995, counsel for "an individual who was formerly employed, as a senior executive, by a New Jersey company which is a division of Ortho Pharmaceutical Corporation," submitted a letter advising the Commission of the client's federal contributions that were "subsequently, though mistakenly reimbursed to [the] client." Curiously, the letter does not identify the client, but it is clear from the cited overall amounts and dates of the reimbursed contributions that the client is Elliott Millenson, President of DAD at the time of the contributions. Prior to making the first of the federal contributions, counsel states, Mr. Millenson asked the director of finance at DAD about the legality of seeking reimbursement from the company because Millenson "was unclear about the ability of a

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company" to reimburse contributions.⁴ The director of finance reported back to Mr. Millenson that while the corporate parent's own internal policy was not to reimburse the political contributions of employees, such reimbursements were not illegal. Counsel states that Mr. Millenson understood, "based on his knowledge of Johnson & Johnson's decentralized management, that each division, including Ortho, had the ability to unilaterally establish policy guidance in areas such as this." Mr. Millenson, however, "continued to be sufficiently concerned about such a potential reimbursement," that he asked the director of finance to directly contact

a senior manager in the Government Relations office of Johnson & Johnson, in Washington, D.C., to ask whether an employee could make contributions directly to a candidate committee, rather than having such contribution made by the Government Relations office, presumably through a 'separate segregated fund' or political action committee maintained by the corporation.

Counsel relates that Mr. Millenson received the advice from that office that he was free to contribute directly to the federal committees he chose to support. The letter then states that "[i]n reliance upon the advise [sic] received from both his director of finance and from the parent company's Washington government affairs office, my client made the contributions and thereafter sought, and received, a reimbursement of these contributions, as itemized business expenses, from Ortho."

Counsel then states that in December 1994 Mr. Millenson

4. It is unclear from the available information whether the director of finance was James Barr, otherwise identified as the DAD Vice President for Finance.

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learned for the first time that such reimbursement is illegal. Mr. Millenson sought counsel and apprised DAD officials of the "mistake." Present counsel was retained on February 15, 1995, and on that day Mr. Millenson wrote to Peter Tattle, Johnson & Johnson Company Group Chairman regarding the circumstances of this matter and enclosing a \$6,500 personal check to refund the reimbursed federal contributions.

3. Analysis

It is clear that Ortho made contributions in the names of Elliott Millenson, James Barr, Margaret Blosser, Bruce Decker, and William Pagels. Elliott Millenson was the President of DAD who consented to Ortho's corporate contributions.⁵ He allowed his name to be used to make such contributions and also knowingly assisted in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii). Therefore, there is reason to believe that Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f.

5. Mr. Millenson was an officer of DAD and apparently not a titled officer of Ortho. However, the Commission considers section 441b(a) liability to attach to individuals acting as corporate officers. See MUR 2575 (Toshiba). Mr. Millenson was a titled officer of a division of Ortho and caused Ortho to reimburse the contributors. For example, the approval signature of Elliott Millenson appears on the expense reports.

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 26, 1996

Mr. James Barr
7 Northfield Court
Lambertville, NJ 08530

RE: MUR 4297

Dear Mr. Barr:

On January 23, 1996, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission approved on February 16, 1996.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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Mr. James Barr
Page 2

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Mark Allen, attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Commissioner

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: James Barr

MUR: 4297

I. GENERATION OF MATTER

This matter was generated based on information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

The Federal Election Campaign Act of 1971, as amended, ("the Act") prohibits corporations from making contributions in connection with a federal election. 2 U.S.C. § 441b(a). This provision also forbids corporate officers from consenting to a corporation's contribution. Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. This prohibition extends to persons knowingly assisting in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii).

B. Factual and Legal Analysis

1. Contributions and Reimbursements

James Barr was Vice President for Finance of Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Ortho"), which is in turn a wholly-owned subsidiary of Johnson & Johnson, Inc., a New Jersey corporation.¹ Elliott

1. It appears that DAD was formerly known as Diversified Diagnostics, Inc. and merged into Ortho in 1994.

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Millenson was President of DAD. Certain political contributions made by James Barr, Elliott Millenson and other employees and a consultant of DAD from their personal funds were reimbursed through business expense reimbursements. The contributions total \$10,000 and were all made during the 1994 election cycle:

<u>Contributor</u>	<u>Recipient</u>	<u>Amount</u>	<u>Date</u>
Elliott Millenson	Comm. t/e Sen. Kennedy	\$ 500	11/11/93
	New American Century		
	Fund	\$ 500	2/24/94
	Citizens for Harkin	\$ 250	4/27/94
	Friends of Marjorie M.		
	Mezvinsky	\$ 250	10/03/94
	Comm. t/e Steven Chabot	\$1,000	10/25/94
	Salmon for Congress	\$1,000	10/25/94
	Bilbray for Congress	\$1,000	10/25/94
	Hastings '94	\$1,000	10/25/94
	Ehrlich for Congress	\$1,000	10/25/94
James Barr/D.A. Jones-Barr			
	Comm. t/e Sen. Kennedy	\$ 500	11/12/93 ²
Margaret Blosser	Comm. t/e Sen. Kennedy	\$ 500	11/12/93
Bruce Decker	California Victory '94	\$2,000	10/13/94 ³
William Pagels	Comm. t/e Sen. Kennedy	\$ 500	11/12/93

Margaret Blosser and William Pagels were DAD employees; Bruce Decker was a consultant to DAD and served as President of Health Policy & Research Foundation, a non-profit corporation which received significant funds from DAD. The contributors apparently refunded the reimbursements by checks to Ortho dated between

2. James Barr and Debra Anne Jones-Barr co-signed the contribution check. The Kennedy Committee allocated the \$500 contribution between Mr. Barr and Ms. Jones-Barr.

3. The California Victory '94 Committee, a multi-candidate committee, reported receiving three contributions on this date from Mr. Decker totaling \$2,000.

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February 15, 1995 and March 6, 1995.

In a memorandum dated November 22, 1993, to Mr. F. Campbell, James Barr stated that DAD

has made a \$2,000 contribution to the re-election of Senator Kennedy in 1994. The contribution was made up of 4 \$500 checks for seats at a dinner made individually by 4 employees of Direct Access. We are processing these checks through expense reports . . . We realize this is not normal J&J procedure and have contacted Corporate's Government Affairs Office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report.

Please process these as soon as possible; if you have any questions give me a call at 253-6407.

This memorandum predates the reimbursements.

2. Additional information

Prior to making the first of the federal contributions, Mr. Millenson apparently asked the director of finance at DAD about the legality of seeking reimbursement from the company because he was unclear about the ability of a company to reimburse contributions.⁴ The director of finance reported back to Mr. Millenson that while the corporate parent's own internal policy was not to reimburse the political contributions of employees, such reimbursements were not illegal. Mr. Millenson apparently understood, based on his knowledge of Johnson & Johnson's decentralized management, that each division, including Ortho, had the ability to unilaterally establish policy guidance in areas such as this. Mr. Millenson, however, continued to be sufficiently concerned about such a potential reimbursement,

4. It is unclear from the available information whether the director of finance was James Barr, otherwise identified as the DAD Vice President for Finance.

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that he asked the director of finance to directly contact a senior manager in the Government Relations office of Johnson & Johnson, in Washington, D.C., to ask whether an employee could make contributions directly to a candidate committee, rather than having such contribution made by the Government Relations office, presumably through a 'separate segregated fund' or political action committee maintained by the corporation.

Mr. Millenson received the advice from that office that he was free to contribute directly to the federal committees he chose to support. Apparently in reliance upon the advice received from both his director of finance and from the parent company's Washington government affairs office, Mr. Millenson made the contributions and thereafter sought, and received, a reimbursement of these contributions, as itemized business expenses, from Ortho.

3. Analysis

It is clear that Ortho made contributions in the names of James Barr, Elliott Millenson, Margaret Blosser, Bruce Decker, and William Pagels. James Barr was a Vice President of DAD who consented to Ortho's corporate contributions.⁵ He allowed his name to be used to make a contribution and also knowingly assisted in the making of contributions. See 11 C.F.R. § 110.4(b)(1)(iii).

5. Mr. Barr was an officer of DAD and apparently not a titled Officer of Ortho. However, the Commission considers section 441b(a) liability to attach to individuals acting as corporate officers. See MUR 2575 (Toshiba). Mr. Barr was a titled officer of a division of Ortho and caused Ortho to reimburse the contributors. For example, the approval signature of James Barr appears on the expense reports.

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Therefore, there is reason to believe that James Barr violated
2 U.S.C. §§ 441b(a) and 441f.

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Law Offices

HOLLAND & KNIGHT

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A Partnership Including Professional Corporations

2100 Pennsylvania Avenue, N.W.
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Washington, D.C. 20037-3202
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FAX 202-955-5564

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Lakeland	Tampa
Miami	West Palm Beach

February 27, 1996

WILLIAM B. CANFIELD, III
202-862-5960

VIA HAND DELIVERY

Joan D. Aikens
Commissioner
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

RE: **MUR 4297, Elliott Millenson**

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OFFICE OF GENERAL
COUNSEL

Dear Commissioner Aikens:

Your letter of February 26, 1996, was received in my office this morning. After a thorough review of the "Factual and Legal Analysis" and the draft "Conciliation Agreement" and a discussion of the issues presented therein with my client, I hereby inform the Commission that we intend to pursue preprobable cause conciliation and to enter into negotiations with the Commission directed towards reaching a conciliation agreement in settlement of this matter.

Because both the "Factual and Legal Analysis" and draft "Conciliation Agreement", as proposed by the Commission, contain material errors and factual omissions, I will shortly forward to you, within the 15 day period, additional materials relevant not only to my client but also to Johnson & Johnson. We believe that you will find this submission to be of significance to your investigation, especially as to Johnson & Johnson, and very much in the public interest.

We look forward to a satisfactory resolution of this matter.

With best wishes,

Sincerely,

HOLLAND & KNIGHT

William B. Canfield, III

WBC/ja

cc: Elliott Millenson
J. Alan Galbraith, Esq.

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Law Offices

HOLLAND & KNIGHT

2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037-3202

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WILLIAM B. CANFIELD, III
(202) 862-5960

March 7, 1996

Honorable Lee Ann Elliott
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: M.U.R. 4297, Elliott Millenson

Dear Madam Chairman:

As mentioned in my letter to the Federal Election Commission ("the Commission") of February 27, 1996, the Respondent in the above captioned matter has elected to submit supplemental factual materials to the Commission, a procedure outlined in the Commission's letter of February 26, 1996. Accordingly, you will find his affidavit and related documents enclosed with this letter.

We fully expect that the affidavit and exhibits will be of considerable interest to the Commission. Contrary to the Commission's proposed "Factual and Legal Analysis", Mr. Millenson did not approve the reimbursement of his own federal contributions. Rather, he obtained approval not only from Ortho Pharmaceutical Corp. ("Ortho"), in accordance with its procedures for expense reimbursement, but also from his superior, Gary Parlin, a high-level executive of Ortho's corporate parent, Johnson & Johnson ("J&J"). As you will see from the exhibits enclosed, it appears that J&J has attempted to cover up its involvement in the reimbursement of these approved political contributions to save itself from serious embarrassment at an especially sensitive time for Ortho.

I also want to remind the Commission that this matter was brought to its attention by Mr. Millenson, sua sponte, via our letter to you of April 24, 1995. That letter was intended to alert the Commission to a potential violation of the Federal Campaign Act and was intended to be the initial step in a fact-finding effort to be undertaken by the Commission's Office of General Counsel. It was not intended nor should it be viewed by the Commission as a

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Commissioner Lee Ann Elliott
March 7, 1996
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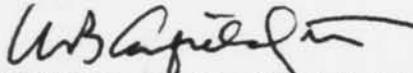
definitive explication of the facts known to Mr. Millenson. It was solely intended to bring this matter before the Commission and to set the stage for a further exploration of the facts with the Respondent. In as much as the Commission did not attempt to review the known facts with Mr. Millenson at any time between our letter to you of April 24, 1995 and your finding of "reason to believe" on January 23, 1995, it is incumbent upon us to set the factual record straight. The enclosed affidavit and exhibits are submitted in furtherance of that goal.

Mr. Millenson is of course willing to meet with Commission staff at its convenience. Based on the Commission's proposed "Factual and Legal Analysis", it does not appear to me or my client that J&J has been forthright with the Commission. We want to make sure that this Commission fully understands and acts on the culpability of J&J in this matter.

With best wishes,

Sincerely,

HOLLAND & KNIGHT


William B. Canfield III

enclosure

cc: Elliott Millenson
J. Alan Galbraith, Esq.

William B. Canfield, III

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I especially want to make sure that the Commission has a full understanding of the culpability of my former employer, Ortho Pharmaceutical Corporation ("Ortho") and its parent, Johnson & Johnson ("J&J"), in my inadvertent violations of the 1971 Act.

4. On February 10, 1993, my wife and I sold our small start-up business, University Hospital Laboratories Corporation, to Ortho Pharmaceutical Corporation ("Ortho"), a subsidiary of Johnson & Johnson ("J&J"). Our business became a division of Ortho known as the Direct Access Diagnostics Division ("DAD"). I became president of DAD. (Contrary to note 1 on page 2 of the Factual and Legal Analysis, DAD was never known as "Diversified Diagnostics, Inc." and DAD, an Ortho division and not an independent corporate entity, did not merge into Ortho in 1994 or at any other time.)

5. Although DAD was an Ortho division, I did not report to the president of Ortho (Eric P. Milledge) but instead to J&J (not Ortho) company group chairman Gary V. Parlin. Parlin in turn reported to J&J company group chairman Peter T. Tattle. As a J&J company group chairman, Tattle supervised a number of J&J subsidiaries, including Ortho; he was chairman of Ortho's board of directors. Therefore, although DAD was a division of Ortho, DAD in fact operated independently of Ortho. I was an employee of Ortho but, once again, under the reporting arrangement established by J&J, my boss was Parlin, a J&J employee who also served as DAD's board chairman.

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6. At the time that I joined Ortho, I did not have a working knowledge of federal election law. However, I knew enough to know that there was a federal election law and that I should seek advice if I sought reimbursement for political contributions.

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7. At the time I joined Ortho, J&J did not educate me on its policy against corporate reimbursement of political contributions. In particular, I was not given a copy of J&J's Policy on Business Conduct (Exhibit 1), which sets forth on page 7 the prohibition against political contributions, nor was the annual Certificate of Compliance sought from me during my tenure as DAD president as required by the Policy on Business Conduct. See Exhibit 1. As corroborated by my office "Received" stamp on Exhibit 1, I first saw the Policy on Business Conduct on February 1, 1995, which was one day before J&J company group chairman Tattle (Parlin's boss) terminated my employment at DAD. If my employer in my case had abided by its corporate policy of informing its executives of its Policy on Business Conduct and had sought my personal acknowledgement of the Policy (when I began with J&J and at year end 1993), then the violations of federal election law at issue in this investigation would not have occurred.

8. Contrary to the assertion on page 5 of the Factual and Legal Analysis that "Elliott Millenson was the President of DAD who consented to Ortho's corporate contributions" and in note 5 on page 5 that "Mr. Millenson . . . caused Ortho to reimburse

the contributors" through "approval signature" on my own expense reports, I could not and did not approve my own expense reimbursements (including requests for reimbursements for my own political contributions). As is true in any corporation with proper internal controls, I had to obtain approval for expense reimbursement (including for contributions) from my superior -- in this case DAD chairman Parlin -- and he had to approve my request by personally signing off on my requests for expense reimbursement. My request for reimbursement also had to receive approvals at DAD and Ortho, as I set forth in paragraph 12.

(After reading the Commission's Factual and Legal Analysis, I am concerned that J&J intentionally misled this Commission into believing that I as DAD president could approve reimbursement of my own expenses, including contributions.)

9. The further problem was that Parlin did not inform me that I could not seek corporate reimbursement for political contributions. Certainly, Parlin as a long-time senior J&J executive (he was formerly president of Ortho, a major J&J subsidiary) should have known that such contributions were against J&J policy from his own annual compliance with J&J's Policy on Business Conduct, but Parlin (as I will show in paragraph 13 of this affidavit) did not realize that corporate reimbursement of political contributions was unlawful at the time that he personally approved my expense reports requesting approval for reimbursement of such contributions.

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10. Before I sought reimbursement for any political contribution, I sought advice from James Barr, DAD's director of finance. (Footnote 4 on page 4 of the Factual and Legal Analysis states that it is "unclear from the available information whether the director of finance was James Barr, otherwise identified as the DAD Vice President for Finance." To clarify, Barr was never a DAD vice president; there was no DAD vice president of finance during my presidency and Barr, who had held other positions at J&J, became the senior manager in charge of the finance department until he left in October 1994.) I received the advice from Barr that it was not illegal to seek reimbursement. I also sought confirmation of his advice (through him) from J&J's Government Relations Office in Washington, D.C. Upon receiving what I thought was confirmatory advice, and in the belief that reimbursement did not violate any company-wide J&J policy, I concluded, as president, that it was sound business judgment in the case of DAD (which as a new J&J company was in the process of establishing its own policies) to permit corporate reimbursement of political contributions on a case-by-case basis.

11. I sought approval from my boss, Parlin, for the reimbursement of the political contributions that I made as listed on page 2 of the Factual and Legal Analysis. Parlin personally approved my expense reports, thereby finally approving my requests for reimbursement for my political contributions. His personal approval is shown by his signature on my expense reports. Exhibit 2. For example, I can document that he

personally approved my contribution to Kennedy (\$500) and Harkin (\$250). (This does not mean that he did not approve reimbursement of the other political contributions -- it only means the copies of my expense reports in my possession show these two examples.)

12. I requested, knew about, and encouraged Ortho to reimburse the four additional contributions (totalling \$3,500) made by others as listed on page 2 of the Factual and Legal Analysis. But the Commission should also appreciate that Ortho himself approved reimbursement. As I can demonstrate from records in my possession, Ortho focused on the propriety of reimbursement, believed that these contributions were reimbursable, and reimbursed them after having been approved by Ortho employees (Barr in DAD and, based on records in my possession, very likely one A. Munley at Ortho). The expense reports of Blosser and perhaps Pagels were not approved by me (but I would have done so if they had come to me). I approved reimbursement to Barr and likely approved the reimbursement to Decker, except that I may have approved reimbursement of his employer, Health Policy & Research Foundation (which submitted monthly invoices to DAD for reimbursement).

13. I attach as Exhibit 3 a directive to me from Parlin dated November 18, 1994. As the Commission can see, Parlin did not direct me not to make corporate political contributions but rather wanted to make sure that I sought his prior approval (as opposed to after-the-fact reimbursement

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approval) before making new political contributions. Prior to January 19, 1995, when I first learned that Ortho could not reimburse political contributions, Parlin at no time informed me that corporate political contributions in the United States were unlawful and that I could not be lawfully reimbursed for them. As I said in paragraph 9, I am confident that Parlin was unaware that corporate political contributions were unlawful (until about January 11, 1995, when I now surmise that he learned that they were unlawful from Tattle, as I further explain in paragraph 36).

14. On January 11, 1995, I received another memo from Parlin entitled "Contributions." Exhibit 4. He wanted a listing of all political and non-political contributions. He referenced his memo of November 18 (Exhibit 3). It seems likely that he remained unaware that corporate political contributions were unlawful at the time that he wrote this memo. Significantly, he sent a copy of this memo to his boss, Tattle. Tattle had not been copied on Parlin's November 18 memo. Exhibit 3.

15. I responded to Parlin's memo of January 11 by directing that Cindy Ziemba, an analyst in DAD's finance department, send all expense reports since November 18 to Parlin, as I thought she had been doing. Exhibit 5. (To understand the background, the Commission needs to know that DAD's director of finance (Barr) left DAD in October 1994. While he was in place, I had sent all requests for expense reimbursement to him for his approval signature. Once approved by him, the expense reports were sent to Ortho's accounting department and on the basis of

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Barr's approval signature Ortho issued a check to me for the amount of the expenses (as approved by Barr). On a quarterly basis, Barr sent my monthly expense reports to Parlin, my boss, for his final approval signature. Upon receipt of the expense reports Parlin typically called me with any questions he had about my expenses. He then sent the expense reports with his signature (on the reports themselves or on a memo) back to DAD where they were kept by the finance department. Although Parlin had questions about many expenses, he never disapproved any expenses; however, had that happened, I would have reimbursed Ortho. With Barr's departure and no finance director in place, Parlin now wanted to approve my expense reports as each report was submitted, as was entirely appropriate.)

16. Also in response to Parlin's memo of January 11, I sought to obtain a listing of all political and non-political contributions made by DAD, as Parlin had strongly requested such a listing by noon, January 13, in his January 11 memo. Exhibit 4. In addition, I went beyond his request by asking for a listing of all contributions made on behalf of DAD and reimbursed by DAD (e.g., Health Policy & Research Foundation). To compile this listing, I needed the assistance of Ziemba of the finance department. But I was to run into grave difficulty in obtaining the needed contribution information from Ziemba.

17. As I had little time to assemble the information for Parlin, I was frequently checking on Ziemba's progress. In going through two years of records, she was having difficulty in

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determining whether payments to an organization were or were not for contributions. More importantly, she told me that she was unable to find any record of political contributions and volunteered that "perhaps some donations had been miscoded" as her reason for not locating them. I was certain that I (and Barr, Pagels and Blosser) had made and received reimbursement for political contributions. When I presented Ziembra with my certain knowledge that reimbursement had been made, together with the vital importance of presenting accurate information to Parlin by January 13, Ziembra was nervous, anxious and upset. I became suspicious when I sensed that Ziembra was not upset because she could not find the information, but rather was upset because I was pressing for the information.

18. By January 13, Ziembra had not found any records of political contributions; I recalled the one to Kennedy (federal), Harkin (federal), Garst (state (Iowa)), and Lundine (state (New York)), and made sure that they were added to the listing. I did not recall the correct dates for these contributions, which explains why they are listed incorrectly in the memo that went to Parlin on January 13. Exhibit 6. As I continued to press Ziembra to obtain the contribution information, I sensed at the time that she was answering to Parlin, not to me. I was becoming very concerned that expense reports to be maintained and available in the ordinary course of business were being tampered with.

19. On January 13, 1995, I provided Parlin with a listing of contributions, broken down between political and non-

political contributions. Exhibit 6. I asked Parlin if he wanted me to circulate Exhibit 6 to Tattle (as Parlin had copied Tattle on Exhibit 4), but Parlin advised that this was unnecessary as he shared all information with Tattle anyway. I had the vague feeling that my listing of political contributions in my memo to Parlin was not complete.

20. On the evening of January 19, 1995, I learned for the first time from Steve Hofman, a DAD consultant, that it was unlawful to obtain corporate reimbursement for political contributions. Hofman advised me to call Charles J. Cooper, with Shaw, Pittman, Potts & Trowbridge, knowing that Cooper was DAD's counsel and also had expertise in federal election law. I followed Hofman's advice, and talked with Cooper on the morning of January 20. He advised that DAD had violated the election law, that I should immediately inform Parlin, that I would need to collect all relevant contribution information, and that full disclosure would need to be made to this Commission. I advised Parlin, my boss, by E-mail on January 20. Exhibit 7. (Due to an error on page 2 in my counsel's letter of April 24, 1995, the Factual and Legal Analysis states on pages 4-5 that I first learned of election law violations in December 1994, but the exact date was January 19, 1995, as is clear from Exhibit 7.) I told Parlin that I had already consulted experienced Washington counsel, and that I would also notify J&J in-house attorney Kathy Schroeher (who was assigned to DAD). Exhibit 7. I told Ziemba that we needed to go back through all of my expense reports, as

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well as those of Barr, Blosser, and Pagels, to locate all contributions.

21. By this time it was clear to me that Ziembra was taking too much time to locate expense records. She was providing me with expense records showing political contributions that did not contain Parlin's signature. At the same, all of my other expense records that she provided to me (e.g., those having nothing to do with contributions) contained his approval signature. She was also providing me with incomplete expense reports for other DAD employees who had been reimbursed for political contributions: their expense reports either were not being located or in one case (involving a state political contribution) was missing the front page, which contained the approval signature.

22. On January 23, I informed J&J in-house counsel Schroeher that I was working with experienced outside counsel and would take whatever action was needed to correct the situation brought about by corporate reimbursement of political contributions. Exhibit 8.

23. On January 24, I informed Parlin, with a copy to Schroeher, that there were gaps in DAD's expense report files, and that I was investigating the matter. Exhibit 9.

24. Also on January 24 I documented in a letter to Cooper, DAD's outside counsel, that there appeared to be something amiss in DAD's files. Exhibit 10.

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25. On January 25, I had a meeting with Ziemba and another DAD finance employee, Helen Hsu. I asked Tony Archer, from DAD Human Resources, to sit in on the meeting because of my concern that the finance department was not only being unresponsive but that something was seriously amiss. Exhibit 11.

26. On January 26, I received a call from William L. McGrath (then an associate attorney at Shaw, Pittman). McGrath stated that he had talked with Schroeder (who had called for Cooper, who was traveling). McGrath told me Schroeder had instructed that he and Cooper not talk with me. I do not recall with certainty, but I believe that McGrath's call came in response to a call I had placed that morning to Cooper.

27. On January 27, I sent a memo to Hsu regarding "the urgent need to conduct and complete a thorough investigation of the Finance department expense account procedures." Exhibit 12.

28. On January 29, 1995, I notified Ralph S. Larsen, J&J's Chairman, about the absence of Parlin's approval signature from my expense reports. Exhibit 13. (To be precise, my E-Mail was directed to Roger S. Fine, J&J's vice president of administration, as I wanted him to address news leaks coming from J&J that were undermining me, with a copy to Larsen, to inform him of altered documents, as I knew that he would be especially concerned about this problem in light of Ortho's just announced felony guilty plea to document destruction, as I relate in paragraph 34.) As I told Larsen: "Strangest of all, my expense reports for these contributions are the only expense reports

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which do not show a record of being sent by Jim Barr to Gary Parlin for signature. I have launched an internal investigation into this matter." Exhibit 13.

29. In the last week of January of 1995 I was putting great pressure not only on DAD's finance employees but on my secretary, my wife's secretary (my wife too was a DAD employee), and no doubt others to find my expense reports seeking reimbursement of political contributions with Parlin's signature. Unbeknownst to me at the time, I in fact obtained copies of some of the reports with his signature. I do not know the source of these documents inside DAD. These are included in Exhibit 2. As I explain in paragraph 32, I did not realize that I had any copies with Parlin's approval signature until August of 1995.

30. I did not get further into my investigation of this matter because Tattle, Parlin's boss, terminated my employment on February 2, 1995.

31. Subsequent to my termination, J&J (Tattle and Russ Deyo, a senior J&J inside counsel) advised me that J&J and I should jointly approach this Commission to explain what had happened. Cooper soon concluded that he could not represent either J&J or me personally due to conflict of interest between us. Thereafter, J&J hired new counsel (Lynne Utrecht) who indicated that she wished to proceed jointly with my new attorney, William B. Canfield. J&J shared with me a draft of its proposed submission, but it contained inaccuracies, as I communicated through counsel to J&J. I was willing to go into

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the details with J&J. However, J&J abruptly changed course and made its own separate disclosure to the Commission. As a result, J&J notified this Commission on its own, ahead of my own notification through counsel on April 24.

32. I discovered that I had copies of some of my expense reports with Parlin's signature on them at my home in September 1995. J&J does not know that I have these copies. I earnestly request that the Commission not inform J&J of the existence of copies of my expense reports with Parlin's signature prior to the completion of my pending arbitration case with J&J and Ortho (which is currently set for hearing in May 1995).

33. I do not know whether J&J submitted copies of expense reports without Parlin's signature to the Commission in the course of its investigation. (I infer that this might be the case from the assertions in the Factual and Legal Analysis to the effect that I approved my own expenses, as recited in paragraph 8.) If in fact J&J submitted expense reports without Parlin's signature or otherwise stated or implied that I authorized reimbursement of my own political contributions (see paragraph 8), then the Commission should appreciate that J&J intentionally misled the Commission to thwart an investigation into Ortho's and J&J's true role in this matter -- especially the role of senior J&J executive Parlin and likely also even the more important and more senior J&J executive Tattle (see paragraph 19).

34. I should also add that December/January 1994/95 was an especially sensitive time for Ortho. The U.S. Government

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had been investigating Ortho since 1991 for destroying documents to thwart an FDA investigation into whether Ortho had improperly promoted Retin-A, an acne medicine, as a wrinkle cream in violation of FDA promotional guidelines. This investigation came to a head on January 10, 1995, when Ortho announced that it would plead guilty to federal felony charges of obstructing justice and conspiracy to obstruct justice and pay a fine totalling \$7.5 million. Exhibit 14. J&J chairman Larsen assembled senior J&J executives on January 13 and informed us collectively of his anger at Ortho. It was therefore an especially painful time for Ortho or any executive with supervisory authority over Ortho (i.e., Parlin and Tattle, with DAD being a division of Ortho) to acknowledge that Ortho had also been involved in reimbursing unlawful political contributions.

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35. It became my personal opinion, after learning of Ziembra's and then Hsu's inability to locate my expense reports seeking reimbursement of political contributions containing Parlin's approval signature, that Parlin (who in 1991 was president of Ortho at the time of the document destruction in the Retin-A case) could not survive as a J&J executive if my investigation showed that he in fact ordered the alteration of my expense reports to cover up his approval of my political contributions. It is my further view that Parlin wanted to cover up his involvement as it reflected poorly on him as a high-ranking J&J executive, and did so at an especially sensitive time for Ortho (see paragraph 34).

36. It is my further surmise that Tattle told Parlin that Ortho could not reimburse political contributions upon receipt of his copy of Parlin's memo of January 11. Exhibit 3. Parlin, working with Ziemba, then obtained all my expense reports and cleansed the files of those containing his signature on my requests for reimbursement for political contributions. It was for this reason that I was having such difficulty in assembling a listing of all political contributions in response to Parlin's request of January 11. Exhibit 4.

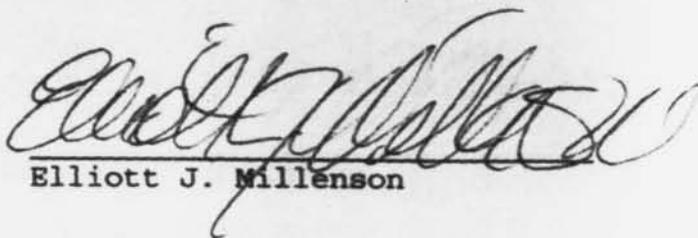
37. In evaluating the matters set forth in this affidavit, the Commission should know that I am currently in an arbitration proceeding with J&J and Ortho over my termination which, I contend, was in violation of my employment agreement with Ortho. I do not believe, however, that bias should be an issue, not only because what I say is accurate, but also because the Commission is being provided the documentation that back up all material facts that I can say based upon my personal knowledge. (I am more than willing to discuss the issues involved in my arbitration case with the staff of the Commission -- they relate not to the political contributions at issue here but to certain non-political contributions which, as I see it, became the pretext to terminate me in violation of my employment contract with J&J.)

38. I request that the Commission and its staff undertake a further investigation into the matters addressed in this affidavit. I believe that the Commission will conclude that

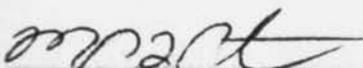
the matters set forth by me in this affidavit are absolutely accurate. I also believe that examination of Barr, Ziemba, Parlin and Tattle under oath will likely show that Parlin and perhaps also Tattle participated in a cover-up. Both Parlin and Tattle are high-level J&J executives today (though Parlin's authority, as I understand it, has been much reduced since I left DAD).

39. As the Commission is aware, I promptly reimbursed Ortho for all reimbursed political contributions that inadvertently occurred during my presidency at DAD.

40. I am more than willing to sign a conciliation agreement but I will not do so unless and until the facts as set forth by me are acknowledged as the true facts by this Commission. I am also hopeful that full knowledge of the facts will cause the Commission to reassess the level of the fine, if any, that should be assessed against me.


Elliott J. Millenson

Subscribed and sworn to before me this 5th
day of March, 1996.


Notary Public

MARK L. PETERSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 23, 1998

97043850203

INDEX OF EXHIBITS TO ELLIOTT MILLENSON AFFIDAVIT

1. Annual J&J Policy On Business Certificate (1994 version)
2. Millenson Expense Reports
3. Memo. dated November 18, 1994 from Parlin to Millenson
4. Memo. dated January 11, 1995 from Parlin to Millenson (with copy to Tattle)
5. Memo. dated January 11, 1995 from Millenson to Parlin
6. Memo. dated January 13, 1995 from Millenson to Parlin
7. Memo. dated January 20, 1995 from Millenson to Parlin
8. Memo. dated January 23, 1995 from Millenson to Schroeder
9. Memo. dated January 24, 1995 from Millenson to Parlin
10. Letter dated January 24, 1995 from Millenson to Cooper
11. Memo. dated January 25, 1995 ("Expense Reporting System")
12. Memo. dated January 27, 1995 from Millenson to Hsu
13. Memo. dated January 29, 1995 from Millenson to Fine (with copy to Larsen)
14. Article, New York Times, January 11, 1995 (Ortho guilty plea)

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Johnson & Johnson

RALPH S. LARSEN
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER

Exhibit 1
RECEIVED

FEB 1 1995

E. MILLENSON
NEW BRUNSWICK, NEW JERSEY 08833

November 4, 1994

Executive Committee and Corporate Officers
Company Group Chairmen
Vice Presidents Johnson & Johnson International
Domestic Presidents and General Managers
International Presidents and Managing Directors
Corporate Department Heads

Policy on Business Conduct
1994 Certificate

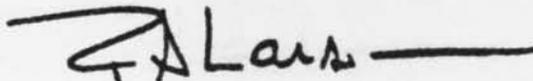
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The Policy on Business Conduct is an important part of the program to insure that our business practices meet the standards embodied in our Credo. Enclosed with this memorandum are the Policy on Business Conduct Certification materials for 1994. This Policy was amended last year to include some new sections, including the Johnson & Johnson policy on trade secrets. If there are any questions about your responsibility regarding the trade secrets of competitors, or any other aspect of our Policy on Business Conduct, please contact the General Counsel at (908) 524-2486 or at telefax number (908) 524-2788.

To provide continuing emphasis on the importance of abiding by the Policy on Business Conduct and assurance of compliance with it, we require a periodic certification of compliance with the Policy from each of you. We are asking this year that you complete the enclosed Certificate as part of your year-end closing and return it to the General Counsel by January 13, 1995.

Also enclosed is a copy of George Frazza's 1993 memorandum regarding compliance with document retention policies. Please be sure that this directive regarding the disposal of documents is in place in the business operations for which you are responsible.

I know you all join with me and with the Board of Directors in our continuing commitment to the ethical principles set forth in the Credo and the Policy on Business Conduct.



Ralph S. Larsen

maf

Johnson & Johnson

OFFICE OF
GENERAL COUNSEL

ONE JOHNSON & JOHNSON PLAZA
NEW BRUNSWICK, N.J. 08933-7002

February 16, 1993

Executive Committee
Company Group Chairmen
Domestic Presidents and General Managers
Corporate Department Heads

COMPLIANCE WITH DOCUMENT RETENTION POLICIES

Most Johnson & Johnson operating companies have document retention policies that call for an annual review of files to cull out and dispose of older documents in compliance with an appropriate record retention schedule. Documents that relate to litigations or investigations or inquiries by a governmental agency must be excluded from such routine document disposal. Accordingly, if your document retention policy does not already include an instruction to this effect, it must be modified and reissued with the addition of the following paragraph:

IMPORTANT: Our companies are sometimes involved in litigation or governmental inquiries which may result in subpoenas or other sorts of document requests. Compliance with such requests is required by law and the pendency of a litigation or governmental inquiry may therefore require the preservation of documents that otherwise would be routinely destroyed. Accordingly, you should verify that documents maintained in your files are not pertinent to any litigation or governmental inquiry before their destruction. If you have any questions about the matter, you must consult with the Law Department prior to implementing the document retention policy.

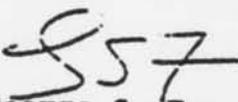
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If an operating company does not have a document retention policy, we recommend that one be adopted and implemented on a company-wide basis. The best way to institutionalize such a program is to schedule a specific day each year when all company employees set aside time to review and update their files.

The typical retention period for personal files (correspondence, memos, etc.) is for the current year plus the past year (for example, during 1993 an employee would maintain records dated after January 1, 1992). Records prior to this time should be destroyed unless they are specifically needed for active, ongoing matters. Some categories of documents, such as certain financial, regulatory, and quality assurance records, have longer retention schedules.

If you have questions regarding the appropriate retention schedule for particular types of documents, you should contact your management board attorney or record retention coordinator.

Thank you for your assistance and cooperation.


George S. Frazza

maf

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Conflicts of Interest

Every employee has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company or which divide his or her loyalty to the Company. Any activity which even appears to present such a conflict must be avoided or terminated unless, after disclosure to the appropriate level of management, it is determined that the activity is not harmful to the Company or otherwise improper.

A conflict or the appearance of a conflict of interest may arise in many ways. For example, depending on the circumstances, the following may constitute an improper conflict of interest:

-Ownership of or an interest in a competitor or in a business with which the Company has or is contemplating a relationship (such as a supplier, customer, landlord, distributor, licensee/licensor, etc.), either directly or indirectly such as through family members.

-Profiting, or assisting others to profit, from confidential information or business opportunities that are available because of employment by the Company.

-Providing services to a competitor or a proposed or present supplier or customer as an employee, director, officer, partner, agent or consultant.

-Soliciting or accepting gifts, payments, loans, services or any form of compensation from suppliers, customers, competitors or others seeking to do business with the Company. Social amenities customarily associated with legitimate business relationships are permissible. These include the usual forms of entertainment such as lunches or dinners as well as occasional gifts of modest value. While it is difficult to define "customary", "modest" or "usual" by stating a specific dollar amount, common sense should dictate what would be considered extravagant or excessive. If a disinterested third party would be likely to infer that it affected your judgment, then it is too much. All of our business dealings must be on arm's-length terms and free of any favorable treatment resulting from the personal interest of our employees. Loans to employees from financial institutions which do business with the Company are permissible as long as the loans are made on prevailing terms and conditions.

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-Influencing or attempting to influence any business transaction between the Company and another entity in which an employee has a direct or indirect financial interest or acts as a director, officer, employee, partner, agent or consultant.

-Buying or selling securities of any other company using non-public information obtained in the performance of an employee's duties, or providing such information so obtained to others.

Disclosure is the key. Any employee who has a question about whether any situation in which he or she is involved amounts to a conflict of interest or the appearance of one, should disclose the pertinent details, preferably in writing, to his or her supervisor. Each supervisor is responsible for discussing the situation with the employee and arriving at a decision after consultation with or notice to the appropriate higher level of management. Each President, General Manager and Managing Director is responsible for advising his or her Company Group Chairman or International Vice President, as the case may be, in writing, of all disclosures and decisions made under this Policy. The Law Department in New Brunswick should be consulted for advice as necessary.

To summarize, each employee is obligated to disclose his or her own conflict or any appearance of a conflict of interest. The end result of the process of disclosure, discussion and consultation may well be approval of certain relationships or transactions on the ground that, despite appearances, they are not harmful to the Company. But all conflicts and appearances of conflicts of interest are prohibited, even if they do not harm the Company, unless they have gone through this process.

Respect for Trade Secrets

It is the policy of Johnson & Johnson to respect the trade secrets and proprietary information of others. Although information obtained from the public domain is a legitimate source of competitive information, a trade secret obtained through improper means is not.

If a competitor's trade secrets or proprietary information are offered to you in a suspicious manner, or if you have any question about the legitimacy of the use or acquisition of competitive information, you should contact the Law Department immediately. No action regarding such information should be taken before consultation with the Law Department.

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Compliance with Laws and Regulations

Our health care business is subject to extensive governmental regulation throughout the world. The approval and sale of pharmaceutical products and medical devices is particularly heavily regulated, but many other aspects of our business are also covered by statutes and regulations.

Consistent with our Credo and business philosophy, it is the policy of Johnson & Johnson to comply with the laws of each country in which our companies do business. It is the responsibility of each company's management and employees to be familiar with the laws and regulations which relate to their business responsibilities and to comply with them.

The Law Department of Johnson & Johnson conducts periodic programs to help our companies and employees understand and comply with applicable laws and regulations and is available to your company for this purpose. Additionally, the Law Department is always available for consultation on the laws which relate to our businesses around the world. However, it is the responsibility of each company's management to ensure compliance with applicable laws.

If an employee has any question whether a transaction or course of conduct complies with applicable statutes or regulations, it is the responsibility of that employee to obtain legal advice from the Law Department and act in accordance with that advice. It is the responsibility of each company's management to ensure that employees are aware of their responsibilities in this regard.

Set forth below are several areas of regulated business activity that require particular attention.

1. Antitrust and Competition Laws.

It is the policy of Johnson & Johnson to comply with the antitrust and competition laws of each country in which our companies do business. No employee of the Company shall engage in anticompetitive conduct in violation of any such antitrust or competition law.

2. Environmental Laws and Regulations.

Johnson & Johnson is committed to conducting its business in an environmentally sound manner. In addition to carrying out the corporate wide programs the Company has initiated, management and employees are required to be familiar with environmental laws and regulations which relate to their employment responsibilities and to comply with them. This includes ensuring that reports on

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environmental matters filed with government agencies or required by law to be published are complete and accurate.

3. Drug, Medical Device, Diagnostic, Controlled Substance and Consumer Product Safety Laws.

No aspect of our business is more subject to governmental regulation than the development, manufacture approval and marketing of our health care products. Because of the complex nature of many of these regulations, management must take particular care to ensure appropriate employees are aware of regulatory requirements and take necessary steps to comply with them.

4. Workplace Safety Laws and Regulations.

In the interest of maintaining a safe and healthy workplace, the Company requires full compliance with applicable workplace safety and industrial hygiene standards mandated by law.

5. Compliance with Securities Laws.

The Company is often required by the Securities Laws of the United States to disclose to the public important information regarding the Company.

An employee who knows important information about the Company that has not been disclosed to the public must keep such information confidential. It is a violation of United States law to purchase or sell Johnson & Johnson stock on the basis of such important non-public information. Employees may not do so and may not provide such information to others for that or any other purpose.

Employees may not buy or sell securities of any other company using important non-public information obtained in the performance of their duties. Employees may not provide such information so obtained to others.

6. Political Activities and Contributions

The Company encourages employees to be involved personally in political affairs. However, no employee shall directly or indirectly use or contribute funds or assets of the Company for or to any political party, candidate or campaign, unless such a use or contribution is an accepted practice and lawful in the country involved and is approved by the appropriate Company Group Chairman.

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Responsibilities of Managers and Employees

All managers shall be responsible for the enforcement of and compliance with this Policy on Business Conduct including necessary distribution to ensure employee knowledge and compliance. The Board of Directors or other governing body of each affiliate company shall formally adopt this Policy as its own corporate policy binding on all directors, officers and employees of the Company.

Appropriate managers will periodically be required to certify compliance with this Policy. Any false certification -- even if directed by a supervisor -- will be dealt with severely.

All employees are responsible for complying with this Policy. Any employee having information concerning any prohibited or unlawful act shall promptly report such matter to the General Counsel or other member of the Law Department of Johnson & Johnson. While this is the preferred reporting procedure, employees should also feel free to report to anyone in line management, including the Executive Committee, Internal Auditing in New Brunswick, the Vice President, Finance, the Treasurer or the Secretary of Johnson & Johnson. It could also be appropriate to contact the Audit Committee of the Board of Directors through its Chairman.

Employees should be advised of this reporting obligation and encouraged to report any prohibited or unlawful activities of which they are aware. There will be no reprisals for reporting such information and employees should be so advised.

The Corporate Internal Audit Department has expanded its audit programs to include procedures that will assist in monitoring compliance with this Policy. The outside auditors will also be particularly alert and sensitive to such compliance. All employees are expected to provide full assistance and disclosure to both the internal and external auditors, in connection with any review of compliance with this Policy.

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CERTIFICATE OF COMPLIANCE
With the
JOHNSON & JOHNSON
POLICY ON BUSINESS CONDUCT
For the Fiscal Year
1994

(To be returned by January 13, 1995)

From _____

To _____

Name _____
Title _____

The General Counsel
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933

I HEREBY CERTIFY:

1. I have read and I understand the above-captioned Policy.
2. The Policy has been disseminated within the companies or department(s) for which I have responsibility in a manner which, in my good-faith judgment, insures that all directors, officers and employees of such companies or department(s) understand their responsibilities under the Policy.
3. The companies or department(s) for which I have responsibility clearly recognize primary responsibility to devise, establish and maintain an effective system of internal controls and can demonstrate that such controls are periodically appraised and documented.
4. Except as described in a list attached hereto and signed by me, the companies or department(s) for which I have responsibility and all of the directors, officers and employees of such companies or department(s), to the best of my knowledge and good-faith belief, complied with the Policy at all times during the fiscal year indicated above.

I AM SIGNING THIS CERTIFICATE ON MY OWN RESPONSIBILITY AND NOT UNDER THE INFLUENCE OF ANY OTHER PERSON.

MANAGING EXECUTIVE

Signature _____
Print Name _____
Title _____
Date _____

Are there any exceptions?

Yes _____ No _____

If you have answered Yes, please attach a list of Exceptions to the Certificate of Compliance.

9 7 0 4 3 8 5 0 2 1 5

Name: Elliott J. Millerton Location: DAD
 SS #: [Redacted] Extension: 253 6403
 Signed: [Signature] Date: 11/20/93
 Approved: [Signature] Date: 11/21/93

**Direct Access Electronics
Expense Report**

Dept Acct. Code	Tail Code	Project No.	Reference File	Amount
154H GND 14-53025	650000			500.00
TOTAL				500.00

Purpose of Trip

Date	ACTIVITY/LOCATION	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)					Phone Telegram Postage	Air/ Rail/ Car Rent	Personal Car 0.275 / mile Miles/Amount	Business Meals/ Enter.	Laundry Valet	TIPS (Not Meals)	MISC Other	TOTAL CASH EXP.	CREDIT EXPENDITURES	
			BRKFS	LUNCH	DINNER	TOTAL CREDIT EXP.	DESCRIPTION										
11/12													500.00	500.00			
TOTALS													500.00	500.00			
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)		(L)			

*IF OVER \$15, EXPLANATION MUST BE PROVIDED ON NEXT PAGE

**ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

CASHIER'S SIGNATURE

Less Personal Travel 0.00
 Less Travel Advance 0.00
 Less Prior Balance Due Ortho 0.00
 Total Due Employee 500.00
 Total Due Ortho (attach check) 0.00

Other Expenditures
 Room Deposit
 Registration Fees
 Registration Fees

TOTAL COST OF TRIP 500.00

VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AMT	DATE REQ'D	CUR. PERIOD	BATCH
CORP	DIV	LOC	DEPT	TAIL	PROJECT/REF NO	AMT TO BE CHARGED	
PREPAID CHECK DAY	PREPAID CHECK NO	1999 CH	1999 AMOUNT	AP	APPROVAL		

Exhibit 2

9 7 0 4 3 8 5 0 2 1 6

ELLIOTT J. MILLENSON

1023

PAY TO THE
ORDER OF

March 11 1973
Committee T. H. G. + S. H. G. N.J. \$ 520.00

~~NJ~~
NJ

Fairbrook and Co. Inc. DOLLARS

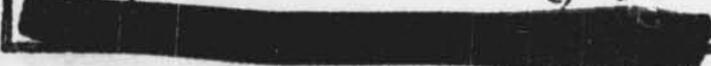
National Westminster Bank NJ

Phucham Office
Route 202-208 South Phucham, NJ 07978

MEMO

Long Island Tel

E. J. Milleson



9 7 0 4 3 8 5 0 2 1 7

Primes	Elliott J. Millerson	Location:	D.A.D.
Off #:		Extension:	218 7302
Signed:	<i>[Signature]</i>	Approved:	<i>[Signature]</i>
Date:	4/18/94		

**Direct Access Diagnostics
Expense Report**

Dept Acct Code	Tail Code	Project No.	Reference Field	Amount
154R 000 14 53025	640000			350.00
	650000			
TOTAL				350.00

Purpose of Trip

Date	ACTIVITY/ LOCATION	#	Room (Attach Bill)	CASH EXPENDITURES (Attach receipts for all individual expenditures of \$25 or more)										CREDIT EXPENDITURES			
				*PERSONAL MEALS (Includes Tips)			Phone Telegrams Postage	Air/ Rail/ Car Rent	Personal Car		Business Meals/ Enters	Laundry Valet	TIPS (Not Meals)	MISC. Other **	TOTAL CASH EXP.	TOTAL CREDIT EXP.	DESCRIPTION
				#	BRKFAST	LUNCH			DINNER	Miles							
4/27														350.00	350.00		
TOTALS														350.00	350.00		

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
 **ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel 0.00
 Less Travel Advance \$ 0.00
 Less Prior Balance Due Ortho 0.00
 Total Due Employee 350.00
 Total Due Ortho (attach check) 0.00

Other Expenditures
 Room Deposit
 Registration Fees
 Registration Fees

TOTAL COST OF TRIP 350.00

CASHER'S SIGNATURE

VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AMT	DATE REQ'D	CUR PERIOD	BATCH
CORP.	DIV	LOC	DEPT	YAIL	PROJECT/REF NO	AMT TO BE CHARGED	
PREPAID CHECK DAY		PREPAID CHECK NO		1999 CD 1999 AMOUNT		AP APPROVAL	

ELLIOTT J. MILLENSON

1084

April 27 19 94

~~NEW~~ NJ
112

PAY TO THE
ORDER OF Friends of Tom Harkin

\$ 250.00

Two hundred fifty and 00/100 DOLLARS

 National Westminster Bank NJ

Phucham Office
Route 202-208 South, Phucham, NJ 07878



MEMO Contribution

97043850219

ELLIOTT J. MILLENSON

1084

April 27 19 94

NEW
JERSEY

PAY TO THE
ORDER OF Friends of Tom Harkin

\$ 250.00

Two hundred fifty and 00/100 DOLLARS

 National Westminster Bank NJ

Phuket Office
Route 202-208 South, Phuket, NJ 07978

MEMO Contribution



97043850220

November 18, 1994

SUBJECT: EXPENSE REPORTS - 2ND AND 3RD QUARTERS 1994

TO: Elliott Millenson

I am returning, signed, your expense reports for the 2nd and 3rd quarters of 1994. Please note the following:

1. In the future do not make any political contributions without my express okay. Secondly, any contributions of over \$1,000 should also be pre-approved.
2. I would appreciate an oral explanation on why it was necessary to pay for Donald Francis' airfare in June. My understanding was that he was going to Germany to testify on behalf of another party.
3. Until you have on board, a Finance Director, please have your expense reports, as well as Wendy's sent over to me for signature after Cindy signs off. However, there is no need to hold up reimbursement. As soon as a Finance Director is operational we can revert back to the "quarterly review" system.

Gary V. Parlin

97043850221

Johnson & Johnson

NEW BRUNSWICK, N. J.

January 11, 1995

SUBJECT: CONTRIBUTIONS

TO: Elliott Millenson

In my memo of November 18, 1994 I asked that any political contributions be pre-approved by me. Secondly, I requested that any contributions (non-political) of over \$1,000 also be pre-approved. In order for me to get a clear picture of past contribution activity by DAD please provide me the following:

1. A list of all political contributions by DAD or by any employee of DAD if that contribution was expensed and subsequently reimbursed by the company. Include the date of the contribution.
2. A list of all other DAD contributions (non-political) over \$75 since the inception of DAD. Include the recipient organization and the date of the contribution.

I would like this information in my office by noon on Friday, January 13, 1995.

Thanks for your help.

Gary V. Parlin

cc: P. Tattle
C. Ziemba

97043850222

cc:Mail for: Elliott Millenson

Subject: Expense Reports
From: Elliott Millenson 1/11/95 11:58 AM
To: Gary V. Parlin at SWIFTMAIL

Gary,

I am writing to respond to your January 11 memo regarding expense reports.

1. As you know, I telephoned you after receiving your November 18 memo to respond to the issues you raised. At that time, I informed Cindy Ziemba in our Accounting department that she should send all expense reports to you for your signature until a new Finance Director joined DAD. I was not aware --until today -- that this procedure was not being followed.

2. After receiving your memo today, I talked with Cindy who informed me that -- as you already knew -- she had not sent any of my expense reports to you for your signature. She further indicated that T&E Accounting had returned all of my expense reports to her (since you had not signed them), but that "I haven't had the time to send them on to [you]. In all fairness, she has been busy closing the books at the end of the year; however she gave no explanation as to why she had not sent the expense reports to you to begin with. In any event, I have asked her to send you the expense reports immediately.

I apologize for this problem.

Elliott

97043850223

DIRECT ACCESS
DIAGNOSTICS

MEMORANDUM

TO: Mr. Gary V. Parlin
FROM: Elliott J. Millenson
DATE: January 13, 1995
SUBJECT: Contributions



This responds to your January 11 request for data on 1) political, and 2) non-political contributions made by DAD, or reimbursed by DAD to its employees.

Background

As background, the need to develop and execute a sophisticated business plan which includes socially responsible contributions was recognized and approved at the outset by key management including Mr. Jack Bowman and Mr. Bob Wilson.

Contributions Summary

Since its inception, DAD has contributed or reimbursed \$389.0M in contributions. This includes \$11.1M in political and \$377.9M in non-political contributions. Of this amount, \$346.8M was contributed by DAD directly and \$8.1M was reimbursed by DAD to its employees. In addition, DAD reimbursed \$34.1M for contributions made by entities outside DAD. These contributions, namely \$6.7M in political and \$27.4M in non-political contributions, were all made by the Health Policy and Research Foundation and are detailed in Exhibit 1. In 1995, no contributions have been made by DAD, or reimbursed by DAD to its employees or outside entities.

Contributions

A breakout of contributions by year is shown below:

Non-Political Contributions

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
AIDS Healthcare Foundation	\$ 5,000	February 1994
	35,000	October 1994
AIDS Service Center ¹	1,000	July 1994
	250	October 1994

¹Contribution reimbursed by DAD to its employee(s)
²Contribution made by DAD as honoraria or made in memory of deceased DAD supporter

97043850224

Mr. Gary V. Parlin
January 13, 1995
Page 2

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
AmFar	\$ 5,000	June 1993
Being Alive ²	1,000	June 1994
Broadway Cares/Equity Fights AIDS ²	500	June 1994
	5,000	September 1994
Center One	5,000	April 1994
Citizens Action Awards Dinner ¹	2,500	July 1994
Coalitions For America	35,000	December 1994
Committee For American Progress	5,000	October 1994
Communitarian Network/ Communitarian Project	5,000 15,000	August 1994 December 1994
Empire State Pride Agenda ²	500	June 1994
Florida Consumer Action Foundation	2,500 4,000	July 1994 September 1994
Foundation of Pharmacists and Corporate America for AIDS Education	2,500	August 1993
Gay & Lesbian Adolescent Social Services	3,000 2,000	April 1994 September 1994
Henry M. Jackson Foundation Fund	700	July 1994
Human Rights Campaign Fund	1,050	October 1994
Love Heals ²	500	June 1994
Minority AIDS Project ²	500 100	June 1994 August 1994
National Council of LaRaza	5,000 7,500	July 1993 March 1994
National Gay and Lesbian Task Force	3,000	November 1993
National Lesbian & Gay Journalists Assoc.	3,000	September 1994
New York in '94 (Gay Games)	5,000	May 1994

¹Contribution reimbursed by DAD to its employee(s)

²Contribution made by DAD as honoraria or made in memory of deceased DAD supporter

97043850225

Mr. Gary V. Parlin
January 13, 1995
Page 3

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
People with AIDS Coalition ²	\$ 500	June 1994
Phoenix Body Positive ²	500	June 1994
Physicians Association for AIDS Care	1,000 2,000	January 1994 September 1994
Progress & Freedom Foundation	30,000	December 1994
Resource Center for Women and Their Families	400	July 1994
Safe Space ²	500	June 1994
Serra Project ²	500	June 1994
S.W. Community Based AIDS ² Treatment Group (COMBAT)	1,500	June 1994
University of Michigan School of Law	15,000	December 1994
Visual AIDS ²	500	June 1994
Total Contributions	\$213,500	

Political Contributions

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
Garst for Senate ¹	\$ 100	May 1994
Harkin for Senate ¹	250	May 1994
Kennedy for Senate ¹	2,000	March 1994
Stan Lundeen ¹	2,000	June 1994
Total Contributions	\$4,350	

Please let me know if you have any questions.

cc: C. Ziemba

¹Contribution reimbursed by DAD to its employee(s)

²Contribution made by DAD as honoraria or made in memory of deceased DAD supporter

97043850226

Exhibit 1

Contributions Made To Health Policy & Research Foundation (HPRF)

(Note: At the request of Bruce Decker, donations are made to the HPRF Foundation in lieu of his accepting personal fees for his consulting services to the company)

Non-Political Contributions

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
HPRF	\$ 41,800	Feb. - Dec. 1993
HPRF	12,000	February 1994
HPRF	6,000	March 1994
HPRF	12,000	May 1994
HPRF	12,000	June 1994
HPRF	19,800	July 1994
HPRF	1,800	August 1994
HPRF	10,200	September 1994
HPRF	6,000	October 1994
HPRF	6,000	November 1994
HPRF	9,400	December 1994
Total Contributions	\$137,000	1993 - 1994

Contributions Made By Health Policy & Research Foundation (HPRF)

(Reimbursed by Direct Access Diagnostics)

Political Contributions

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
Kathleen Brown	200	November 1994
CAL Victory '94	2,000	November 1994
Carole Migden	300	November 1994
Tony Miller	3,750	November 1994
Torres Committee	500	September 1994
Total Contributions	\$6,750	1994

97043850227

Exhibit 1 (cont'd)

Contributions Made by Health Policy & Research Foundation (HPRF)

(Reimbursed by Direct Access Diagnostics)

Non-Political Contributions

	<u>Amount (\$)</u>	<u>Date</u>
AIDS Action Council	\$ 5,000	February 1994
AIDS Project Los Angeles	1,000	July 1994
Being Alive	1,500	November 1994
Divine Design/DIFFA	1,000	December 1994
Gay & Lesbian Adolescent Social Services	500	December 1994
Gay & Lesbian CSC	350	August 1994
Gay Men's Health Crisis	1,000	August 1994
Human Rights Campaign Fund	1,200	July 1994
Log Cabin	300	August 1994
PAWS	1,000	September 1994
Project Angel Food	12,500	September 1994
Search Alliance	1,000	December 1994
SHANTI	500	August 1994
Wolf	500	July 1994
Total Contributions	\$27,350	1994

97043850228

cc:Mail for: Elliott Millenson

Subject: Contributions
From: Elliott Millenson 1/20/95 5:38 PM
To: Gary V. Parin at SWIFTMAIL

Gary,

It is very fortunate that you asked me to provide you a list of DAD contributions last week. I shared this list with Steve Hofman, who pointed out that there may be a legal problem with corporate reimbursement of political contributions. I have taken immediate action to look into this and have consulted with Washington counsel who is experienced in these matters. I will contact Kathy Schroeder as well and will take all appropriate actions needed to correct this situation, if there turns out to be any problem. I will keep you fully informed.

Elliott

97043850229

cc:Mail for: Elliott Millenson

Subject: Contributions

From: POSTMSTR (SWIFTMAIL.POSTMSTR) at SWIFTMAIL 1/20/95 5:43 PM

To: Elliott Millenson at DAD76_1CCM01

Status Distribution January 20, 1995 17:43:27

The message regarding "Contributions" sent on January 20, 1995 17:38:00 was sent by

Status Recipient

DUN	DADNJC01.EMILLENS
Native Name	Elliott Millenson at DAD76_1CCM01
Last Name	Millenson
First Name	Elliott
Country	US
ADMD	DIALCOM
PRMD	WWJJPRMD
Organization	JNJ
DDA	ID DADNJC01.EMILLENS

Recipients

Status Reporters

DUN	CORPHQN2.GPARLIN
Native Name	JNJCORP/HQPOST2/GPARLIN
Last Name	Parlin
First Name	Gary V.
Country	US
ADMD	DIALCOM
PRMD	WWJJPRMD
Organization	JNJ
DDA	ID CORPHQN2.GPARLIN

Status	257
Explanation	Delivered

X.400 Status	0
Explanation	Unknown error

97043850230

cc:Mail for: Elliott Millenson

Subject: Registered: Parlin, Gary V.

From: Gary V. Parlin (CORPHON2.GPARLIN) at SWIFTMAIL 1/23/95 7:55 AM

To: Elliott Millenson at DAD76_1CCM01

Your Message To: Parlin, Gary V. (MS:JNJCORP/HQPOST2/GParlin)

Entitled: Contributions

And Sent On: 1995-01-20 17:43

Was Read At: 1995-01-23 07:51

97043850231

cc:Mail for: Elliott Millenson

Subject:

From: Elliott Millenson 1/23/95 8:47 AM

To: Kathy Schroeder at SWIFTMAIL

Kathy,

Last week, I shared a list of contributions made by DAD with Steve Hofman, a DC based consultant to the company, who pointed out that there may be a legal problem with corporate reimbursement of political contributions. I have taken immediate action to look into this and have consulted with Washington counsel who is experienced in these matters. I will take all appropriate actions needed to correct this situation, if there turns out to be any problem, and will keep you fully informed.

Elliott

97043850232

cc:Mail for: Elliott Millenson

Subject: Contributions
From: Elliott Millenson 1/24/95 8:25 PM
To: Gary V. Parlin at SWIFTMAIL
cc: Kathy Schroeder at SWIFTMAIL

Gary,

I am writing to follow up on the legal issues regarding corporate reimbursement of contributions which I e-mailed you about on Friday. Outside counsel will be getting back to me by close of business tomorrow with an opinion.

However, during the process of asking the Finance department to provide me with all records of contributions, it has come to my attention that there are gaps in the DAD Finance department's record keeping. Specifically, Cindy Ziemba has indicated that there is no record of Jim Barr's expense reports, and a number of my expense reports are missing, including some which document contributions. Additionally, Cindy Ziemba's file copy of the expense report which contains the Stan Lundeen contribution has a signature page which is unsigned, although a reimbursement was made. I will be asking Helen Hsu to conduct a thorough investigation to determine why these expense reports are not in the file and to obtain copies so that our records are complete. I will also ask Helen Hsu to ensure DAD's financial record keeping system is thorough and complete.

Elliott

9704385023

cc:Mail for: Elliott Millenson

Subject: Contributions
From: POSTMSTR (SWIFTMAIL.POSTMSTR) at SWIFTMAIL 1/25/95 9:51 AM
To: Elliott Millenson at DAD76_1CCM01

Status Distribution January 25, 1995 09:51:28

The message regarding "Contributions" sent on January 24, 1995 20:39:00 was sent by

Status Recipient	DADNJC01.EMILLENS
DUN	Elliott Millenson at DAD76_1CCM01
Native Name	Millenson
Last Name	Elliott
First Name	US
Country	DIALCOM
ADMD	WWJJPRMD
PRMD	JNJ
Organization	ID DADNJC01.EMILLENS
DDA	

Recipients

Status Reporters	CORPHQ2.GPARLIN
DUN	JNJCORP/HQPOST2/GPARLIN
Native Name	Parlin
Last Name	Gary V.
First Name	US
Country	DIALCOM
ADMD	WWJJPRMD
PRMD	JNJ
Organization	ID CORPHQ2.GPARLIN
DDA	

Status	257
Explanation	Delivered
X.400 Status	0
Explanation	Unknown error

97043850234

cc:Mail for: Elliott Millenson

Subject: Registered: Parlin, Gary V.
From: Gary V. Parlin (CORPHON2.GPARLIN) at SWIFTMAIL 1/25/95 11:17 AM
To: Elliott Millenson at DAD76_1CCM01

Your Message To: Parlin, Gary V. (MS:JNJCORP/HQPOST2/GParlin)
Entitled: Contributions
And Sent On: 1995-01-25 09:53
Was Read At: 1995-01-25 11:05

97043850235

DIRECT ACCESS
DIAGNOSTICS

January 24, 1995

Mr. Charles J. Cooper
Partner
Shaw, Pittman, Potts & Trowbridge
2300 N Street, N.W.
Washington, D.C. 20037

Dear Chuck,

I'm sending along the following:

1. Invoices submitted by Bruce Decker of Health Policy and Research Foundation and available canceled checks to his Foundation (we will have the remaining checks tomorrow).
2. Expense reports submitted by me in 1994 seeking reimbursement for contributions. I found a \$500 political contribution which was reimbursed, although not in the "contributions" memo. The contribution was made to the New Century Fund (Lynne Martin).

In addition, (a) there is a \$235 reimbursement for an AmFAR contribution not shown in the "contributions" memo, and (b) expense reports do not show any reimbursement for a \$250 contribution to AIDS Service Center, although this is shown on some other financial report we have and was therefore included in the "contributions" memo; I can't explain the discrepancy. A reimbursement was made for a \$1,000 contribution made to AIDS Service Center.

Finally, although an expense report was submitted for a contribution to Stan Lundine - and a reimbursement was presumably received - the expense report on file has no signatures (something may be amiss, since reimbursement would not be made without signatures; we have asked Ortho accounting (the Company that issues our checks) if they have a copy which shows ... signatures).

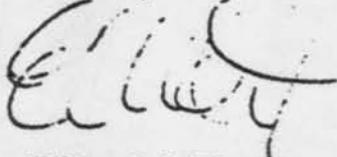
97043850236

Mr. Charles J. Cooper
January 24, 1995
Page Two

3. The Kennedy reimbursement of \$2,000 was made in 1993 to four DAD employees. Expense reports were filed by Margie Blosser, Jim Barr, Bill Pagels and me. I am enclosing my expense report; we are searching for the others.

I will call you tomorrow to follow up. Thanks for everything.

Best regards,



Elliott J. Millenson
President and CEO

97043850237

**Expense Reporting System
January 25, 1995**

Attendees: Elliott Millenson, Tony Archer, Helen Hsu, Cindy Ziembra

A) Gaps in Finance Record Keeping Have Surfaced

1) Inquiries on contributions reveal gaps

- Two contributions to AIDS Service Center listed, yet no checks in personal records of \$250 contribution.
- Expense reports list \$235 contribution to AmFAR (with Amex receipts), yet not coded properly for reporting purposes.
- Expense reports list contribution to New Century fund - not coded.
- Expense reports missing (many of Millenson's; all of Barr's and others).
- Unsigned expense report in files
- No cover memo on quarterly expense report filing to Mr. Parlin

B) Gaps Need to be Corrected Immediately

- Thorough investigation to find all missing documents
- Thorough investigation on cause of missing reports and correct.
- Establish policy/procedure to correct problems, including keeping all reports on file with Finance and with employee.

97043850238

DIRECT ACCESS
DIAGNOSTICS

TO: Helen Hsu

FROM: Elliott Millenson *E. Millenson*

DATE: January 27, 1995

SUBJECT: *Finance Department Investigation*

I am writing to follow up to our January 25 meeting regarding the urgent need to conduct and complete a thorough investigation of Finance department expense account procedures.

Background

As background, on January 11 Mr. Gary Parlin requested data on (1) political, and (2) non-political contributions made by DAD, or reimbursed by DAD to its employees. I initiated my response to this request by asking Cindy Ziembra to pull together that information. In addition, although Mr. Parlin had not requested the data, I asked Cindy to gather information on contributions made by Health Policy & Research Foundation and reimbursed by DAD, so that I could provide that data as well.

On examination, I felt the data provided by Cindy was not complete. For perspective, I remembered that several DAD employees, including myself, Jim Barr and Bill Pagels had made contributions to Sena or Kennedy, yet Cindy's records contained no data on any of these contributions. Since Mr. Parlin had requested the information by noon on January 13 (and Cindy had not yet found any additional contribution records), I asked her to add the Kennedy contribution to the list sent to Mr. Parlin.

When I later checked my personal records (e.g. canceled checks) I came across a number of checks for contributions which had been reimbursed, but which were not included in DAD's financial records. Therefore, I initiated an investigation.

As the investigation has proceeded, it has become clear that proper financial procedures for submitting expense reports to management have not been followed. On numerous occasions, the Finance department did not send expense reports to the J&J company group chairman level for review and approval. On one occasion, an expense report with a contribution reimbursement request was allegedly sent as part of a packet of expense reports for Mr. Parlin's signature -- yet it is the only report in the whole package which was returned unsigned by Mr. Parlin.

97043850239

Helen Hsu
January 27, 1995
Page Two

Perhaps it is a coincidence, but -- so far -- all expense reports uncovered with irregularities include contributions.

Follow up

Since irregularities happened during Jim Barr and Cindy Ziemba's "watch," it is very important that you become personally responsible for conducting this investigation including gathering all expense reports relating to contributions. I would also like you to collect a complete set of expense reports for Wendy Strongin and me since DAD's inception (each of us should be provided a copy of this set as well). In addition, I would like to have my calendar -- since DAD's inception -- cross-checked against expense reports to ensure that reports for all expenses were properly filed.

Please keep me informed of your progress.

97043850240

cc:Mail for: Elliott Millenson

Subject: DAD
From: Elliott Millenson 1/29/95 9:47 PM
To: Roger Fine at SWIFTMAIL
cc: Ralph S Larsen at SWIFTMAIL

Roger,

I am writing to follow up to conversations I have been having with you and Mike Carey since last summer regarding the attempts by certain individuals at J&J corporate to undermine DAD.

As you know, last Friday I sent you an analysis by our expert public affairs consultant, Steve Hofman, indicating that information on specific contribution amounts made by DAD was being leaked to the press with the intent to hurt DAD and me personally.

Steve's analysis indicated it is a virtual certainty the source of the leak of confidential DAD contribution information is within J&J. This followed a pattern set in a May, 1993 Ad Age article which contained Confide product marketing information obtained through a leak from a source at J&J corporate (this was confirmed to me by an Ad Age editor).

Interestingly, Gary Parlin's reaction to my memo revealing a leak was to send me a hostile e-mail which belittled my concern, dismissed Steve's analysis, and told me to keep my opinion to myself. Bill Nielsen felt that the reporter "just guessed" the amount of the contribution. (The idea of randomly guessing an amount, and coming up with the right number is preposterous.) Neither Gary or Bill showed an interest in pursuing the matter further.

Handwritten notes:
D
L
N
P
S
T
W

An article in today's Newsday confirms that a source within J&J is indeed leaking confidential information regarding DAD's contributions ("... Direct Access made a contribution that sources with the company said was about \$25,000."). While there was absolutely no impropriety involved in these contributions, I am outraged at the attempts by persons within J&J to impugn my reputation and to derail DAD's business.

I find it bizarre that Messrs. Nielsen and Parlin have shown no interest in following up on leaks to the press that in one instance were confirmed to emanate from a source within J&J and in another could only point to a J&J source. On the other hand, it is perfectly plausible that the source of these leaks would act to try to suppress the information. The fact that there is no mention of J&J's \$50,000 contribution (the only alleged "controversy" surrounds DAD's contribution) suggests, as well, that the source's only motive is to undermine DAD and me.

For almost 6 months, I have been seeking help from you and Mike Carey. I have told you with increasing urgency of the attempts to undermine DAD and me by Gary Parlin and his corporate allies. I have told you that Gary is trying to push me out of the company. Among other things, he has worked with his protegee Jim Hair (DAD's former Finance Director) to trump up charges of poor management. I told you that he encouraged several of the secretaries at DAD to complain in order to concoct charges of bad management, and that some of these secretaries tried to "recruit" one of our managers to work against me and Wendy Strongin (they later accused this manager of sexually harassing them. He believes they brought these false charges to discredit him, before he could tell management of their activities).

Handwritten notes:
S
M
C

97043850241

I met with you in October, and again in December, to tell you of the increasing urgency of the situation. In December, I provided several examples of efforts by Gary Parlin, and several key J&J staff to derail DAD's business and undermine me. You ridiculed this, and suggested that I was inventing an imaginary conspiracy. When I told you that people from Government Relations had urged a congressman who wanted to support us to not do so (something the congressman's office told us, although Government Relations denied it), you responded with total disbelief.

Each week, it seems that certain individuals within J&J who are supposed to be helping us achieve our objectives are working overtime to hurt that effort. Today, it was an article in Newsday; last week, it was an article in the Star Ledger. The week before, I learned that I was given incorrect information by Jim Barr regarding corporate reimbursement of contributions. Specifically, I had asked Jim to determine whether the corporation could reimburse political contributions. He checked into it, and specifically told me it could. Subsequently, I learned his information was incorrect. Oddly, in going through the Finance Department's records last week, in order to take corrective action, I found gaps in that department's files on these reimbursements- including missing signature pages, and signature pages that appear to have been replaced with blanks). Strangest of all, my expense reports for these contributions are the only expense reports which do not show a record of being sent by Jim Barr to Gary Parlin for signature. I have launched an internal investigation into this matter.

Frankly, despite repeated requests for help, you have taken no action, but to stall. In the mean time, innocent people are being hurt, and DAD's business is being jeopardized. And, I am not the only innocent person who is being hurt by these efforts to undermine me and DAD. Newt Gingrich, who did absolutely nothing wrong, and who has supported home access HIV testing because it will help the American people, has also been hurt. I can assure you, to a veteran politician, it is abundantly clear that the articles on the DAD contributions have been leaked to the press by someone trying to go after me.

I can also assure you that the fact that J&J has people working overtime to attack me -- and in the process producing negative press about Speaker Gingrich -- will not be appreciated in Washington. Moreover, J&J's further handling of this matter will be watched not only by the Republicans, but by their Democratic opponents who will be looking to seize any opportunity to suggest impropriety. It is therefore essential that DAD and Corporate work together to publicly bring the facts to light and make it clear that there has been no impropriety. Longer term, we need to end these efforts to derail the business and instead work together to move the business forward.

Roger - this situation has gone too far. The attacks on DAD and J&J could have been prevented if my concerns had been listened to. Virtually every time sensitive information traveled from my office to corporate, we all ended up reading about it in the papers, with the worst possible spin attached. You have repeatedly promised you will get back to me, but to date, there has been no real response.

It is essential we meet to address this serious matter.

Thank you.

Elliott

97043850242

Handwritten initials

128TH STORY of Level 1 printed in FULL format.

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The New York Times

January 11, 1995, Wednesday, Late Edition - Final

SECTION: Section D; Page 4; Column 3; Business/Financial Desk

LENGTH: 307 words

HEADLINE: COMPANY NEWS;
Johnson & Johnson Unit Plans a Guilty Plea

BYLINE: By Bloomberg Business News

DATELINE: NEW BRUNSWICK, N.J., Jan. 10

BODY:

The Ortho Pharmaceutical subsidiary of Johnson & Johnson said today that it would plead guilty to destroying documents related to a Federal investigation into whether the unit wrongly sold its acne medicine as a wrinkle cream.

Johnson & Johnson, the medical supplies and pharmaceutical giant based here, said it expected to pay a total of \$7.5 million in fines -- \$5 million in damages and \$2.5 million to cover the cost of the Federal inquiry.

The company is scheduled to appear on Wednesday morning before United States District Judge William G. Bassler at a hearing in Newark.

"The document destruction was absolutely wrong, and should never have occurred," said Ralph S. Larsen, chairman and chief executive of Johnson & Johnson. "The company must and does take responsibility for this deplorable event."

A spokesman for Johnson & Johnson, F. Robert Kniffin, said the company had set aside "substantial reserves" to cover the fines, but declined to elaborate.

Shares of Johnson & Johnson rose \$1.125 today, to \$54.875, on the New York Stock Exchange.

The Government began an investigation in 1991 into Ortho's public and professional education programs, which were conducted in the 1980's, on the use of Retin-A.

Johnson & Johnson said it learned of destruction of documents in 1992, during a Justice Department investigation of Ortho, and reported the incident. The company said it dismissed three senior employees after the discovery.

Food and Drug Administration guidelines and Federal law forbid promoting a drug for an unapproved use. Retin-A had been approved for treatment of severe cases of acne and cystic acne.

The company denies that it violated those guidelines, and said it would not.

97043850243

Exhibit 14

The New York Times, January 11, 1995

be charged with improper promotion by the Justice Department. The agency is closing its investigation, the company said.
LANGUAGE: ENGLISH

LOAD-DATE: January 11, 1995

97043850244

OLDAKER, RYAN, PHILLIPS & UTRECHT

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.
SUITE 1100
WASHINGTON, D.C. 20006

(202) 728-1010

FACSIMILE (202) 728-4044

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

MAR 12 10 59 AM '96

March 5, 1996

Mr. Mark Allen
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

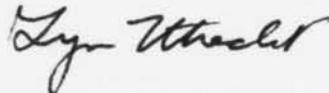
MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.

Dear Mr. Allen:

I am writing on behalf of the Ortho Pharmaceutical Corporation, Johnson & Johnson, Inc. and James Barr to request an extension of time to prepare a sufficient response in the above referenced matter. In light of a number of upcoming deadlines in other matters and the need to communicate further with my clients, I am requesting an extension of fifteen days from the original due date, making Thursday, March 28, 1996, the new due date.

We would greatly appreciate your assistance in granting us this additional time to respond. If you have any questions, please do not hesitate to call.

Sincerely,



Lyn Utrecht

97043850245

STATEMENT OF DESIGNATION OF COUNSEL

MUR _____

NAME OF COUNSEL: LYN UTRECHT, ESQUIRE

ADDRESS: OLDAKER, RYAN, PHILLIPS & UTRECHT

818 CONNECTICUT AVENUE, N.W.

WASHINGTON, D.C. 20006

TELEPHONE: 1-202-728-1010

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

3-4-96
Date

James Barr
Signature

RESPONDENT'S NAME: JAMES BARR

ADDRESS: 7 NORTHFIELD COURT

LAMBERTVILLE, NEW JERSEY 08530

HOME PHONE: 1-609-397-3167

BUSINESS PHONE: 1-908-524-3652

97043850246



FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 13, 1996

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
James Barr

Dear Ms. Utrecht:

This is in response to your letter dated March 5, 1996, which we received on March 12, 1996, requesting an extension of 15 days to respond to the Commission's reason to believe finding. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on March 28, 1996. From my conversation with your associate Hillary Jaffey today, I understand that you will at that time also provide a counteroffer to the Commission's offer of pre-probable cause conciliation.

Should you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen
Attorney

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
ASSOCIATE GENERAL COUNSEL
MAR 13 1 35 PM '96

March 5, 1996

POSTMASTER
15 Main Street

Flemington, NJ 08822

4297

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ADDRESS INFORMATION REQUEST

Pursuant to 39 C.F.R. § 265.6(d)(1), please furnish this agency with a new address, if available, for the individual or entity listed below, or verify whether the address given below is one at which mail for this individual or entity is currently being delivered.

NAME: Margaret Blosser

LAST KNOWN ADDRESS: 402 Westminster

Flemington, NJ 08822

Under 39 C.F.R. § 265.8(g)(5)(i), we request a waiver of fees. In this connection I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted. A return envelope is enclosed for your convenience.

Lois G. Lerner
Lois G. Lerner
Associate General Counsel

FOR POST OFFICE USE ONLY

- () Mail is Delivered to Above Address
- () Moved, left no forwarding address
- () No such address
- () Other (Please Specify)



New Address : 5202 DeSoto Pkwy.
Sarasota, FL 34234

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COUNSEL

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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : HON. WGB
v. : CRIM. NO. 95-12
ORTHO PHARMACEUTICAL CORP. : 18 U.S.C. §§ 371,
1503, 1512, and 2

FILED

JAN 11 1995

At 8:30.....M
WILLIAM T. WALSH
CLERK

I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the Acting United States Attorney for the District of New Jersey charges:

COUNT 1

Conspiracy to Obstruct Justice

At all times relevant to this Information:

A. FDA's Regulations

1. The United States Food and Drug Administration ("FDA") was the federal agency responsible for administering and enforcing the Federal Food, Drug, and Cosmetic Act ("the Act").

2. Under the Act, a "drug" was defined, in relevant part, as an article intended for use in the cure, mitigation, treatment, or prevention of disease in man, or as an article intended to affect the structure or any function of the body of man. 21 U.S.C. §§ 321(g)(1)(B) and (C).

3. Under the Act, a "new drug" was defined, in relevant part, as a drug that is not generally recognized among experts qualified by scientific training and experience to

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evaluate the safety and effectiveness of such a drug, based on adequate, controlled scientific studies, as being safe and effective for use under the conditions prescribed, recommended, or suggested in the drug's labeling. 21 U.S.C. § 321(p)(1).

4. Before marketing a new drug, the sponsor of the drug was required to file with the FDA a "new drug application" (hereafter "NDA"). Once the NDA was reviewed and approved by FDA, the sponsor was permitted to lawfully market the drug and was permitted to label and promote the drug for the use(s) covered in the NDA. To label or promote the drug for a new use -- i.e., a use not covered in the approved NDA -- the sponsor was required to file a new NDA, or amend the existing NDA, by submitting evidence to show the drug was safe and effective for that new use.

5. Once a drug was approved by FDA for any use, a physician was lawfully permitted to prescribe the drug for any unapproved use. To prevent sponsors from "commercializing" investigational new drugs, the FDA issued a regulation that prohibited drug manufacturers, or anyone acting on their behalf, from "represent[ing] in a promotional context that an investigational new drug is safe or effective for the purposes for which it is under investigation or otherwise promot[ing] the drug." 21 C.F.R. § 312.7 This same regulation stated: "This provision is not intended to restrict the full exchange of scientific information concerning the drug, including

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dissemination of scientific findings in scientific or lay media. Rather, its intent is to restrict promotional claims of safety or effectiveness of the drug for a use for which it is under investigation and to preclude commercialization of the drug before it is approved for commercial distribution."

B. The Defendant: ORTHO PHARMACEUTICAL CORP.

6. ORTHO PHARMACEUTICAL CORP. ("ORTHO") was a wholly owned subsidiary of Johnson & Johnson, a manufacturer and distributor of drugs and health care products that consisted of more than 150 subsidiary companies worldwide. ORTHO was a corporation, incorporated under the laws of the State of Delaware, with headquarters in Raritan, New Jersey. ORTHO was engaged in the manufacture and distribution of drugs and other health care products.

7. ORTHO utilized a public affairs unit which performed general public relations functions and coordinated public relations activity with outside public relations agencies. From at least 1985 through the present, this public affairs unit (hereafter "Public Affairs Group"), located in Ortho's Main Administration Building in Raritan, New Jersey, supervised public relations activities for ORTHO.

C. RETIN-A and Acne: Approved Use

8. RETIN-A (tretinoin) was a prescription drug that was manufactured and distributed by the Dermatological Division of ORTHO. The offices of the Dermatological Division were

located on the ground floor of ORTHO's Main Administration Building in Raritan, New Jersey.

9. In 1971, ORTHO received FDA approval to market, label and promote RETIN-A for use in the topical treatment of acne vulgaris (hereafter "acne").

D. RETIN-A and Photoaging: Unapproved Use

10. "Photoaging" or "photodamage" (hereafter "photoaging" or "photoaged skin") refers to skin damage, or premature aging of the skin, caused by exposure to the sun. This skin damage is marked by the appearance of wrinkles, blotches, rough patches of skin and other symptoms. During the early and mid-1980s, preliminary scientific studies concluded that RETIN-A had the potential to treat photoaged skin.

11. If labeled for use in the treatment of photoaged skin, RETIN-A would be an unapproved "new drug." Before it could lawfully label or promote RETIN-A for use in the treatment of photoaged skin, or for any other new (i.e., non-acne) indication, ORTHO, or another person or entity, was required to file, and obtain FDA approval of, a new NDA or supplemental NDA covering each such indication. Prior to obtaining FDA approval of a new or supplemental NDA covering photoaging or any other new (i.e., non-acne) indication, ORTHO, or another person or entity, was required to demonstrate to the FDA that RETIN-A was safe and effective for that new indication when used pursuant to specific proposed directions and warnings for use.

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12. In April 1987, ORTHO registered tretinoin with the FDA as an investigational new drug for study in the treatment of photoaged skin. In July 1989, based on clinical trials, ORTHO filed an NDA seeking to obtain FDA approval of tretinoin for use in treating photoaging.

13. At no time relevant to this Information had the FDA approved any NDA filed by ORTHO authorizing ORTHO, or any other person or entity, to label or promote RETIN-A for use in the treatment of photoaged skin or for any use other than the treatment of acne.

14. From in or about 1985 to in or about 1988, defendant ORTHO, including the Public Affairs Group, conducted an extensive public relations campaign to disseminate information by, among other methods, generating publicity about RETIN-A's use in the treatment of photoaged skin.

E. The FDA, the Department of Justice and a Federal Grand Jury Seek Information from ORTHO

15. In or about March 1988, the FDA initiated an administrative proceeding, and sought information from ORTHO, relating to ORTHO's public relations activities about RETIN-A and photoaging.

16. In or about December 1990, the United States Department of Justice, a department of the United States authorized by law to conduct investigations, initiated an investigation regarding, among other things, the aforementioned RETIN-A public relations campaign and ORTHO's involvement in the

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work of the public relations firms hired by ORTHO to help conduct this campaign. In furtherance of this investigation, a federal grand jury investigation was commenced in the District of New Jersey in or about December 1990.

17. On the evening of January 2, 1991, FDA investigators sought to interview at their homes two former ORTHO employees concerning the aforementioned RETIN-A public relations campaign.

18. On January 3, 1991, the Department of Justice, acting on behalf of a federal grand jury sitting in the District of New Jersey, served a grand jury subpoena duces tecum on Johnson & Johnson (hereafter "January 3, 1991, grand jury subpoena"), requiring the production to the grand jury of, among other things, all documents and materials concerning contacts between ORTHO and the Public Affairs Group, and the public relations firms hired to disseminate information about RETIN-A and other events or activities involving the dissemination of information about RETIN-A and its potential use in the treatment of photoaged skin.

The Conspiracy

19. In or about January 1991, in the District of New Jersey and elsewhere, the defendant,

ORTHO PHARMACEUTICAL CORP.,

did knowingly, willfully, and unlawfully combine, conspire, confederate, and agree with other persons to violate Title 18,

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United States Code, Section 1503, by knowingly and willfully obstructing and impeding, and endeavoring to obstruct and impede, the due administration of justice, namely: the aforementioned federal grand jury investigation.

Means and Manner

20. Among the means and manner by which the defendant ORTHO and its co-conspirators carried out the objectives of the conspiracy were the following:

(a) It was a part of the conspiracy that on or about January 3, 1991, the day after FDA investigators attempted to interview two individuals to inquire about ORTHO's role in disseminating information regarding RETIN-A as a treatment for photoaging, and shortly prior to service of the January 3, 1991, grand jury subpoena, high-ranking representatives of ORTHO directed and authorized employees of its Dermatological Division and the Public Affairs Group to destroy documents and objects relating to the aforementioned RETIN-A/photoaging public relations campaign; and

(b) It was further part of the conspiracy that, on or about January 3, 1991, employees of the Dermatological Division at ORTHO and employees of the Public Affairs Group shredded and destroyed thousands of documents, including drafts of documents that demonstrated that ORTHO and its co-conspirators had

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exercised close control and direction over the work of the public relations agencies employed by ORTHO to disseminate information regarding RETIN-A's use in the treatment of photoaging.

Overt Acts

21. In furtherance of the conspiracy, and to effect the objects and purposes thereof, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

(a) On or about January 3, 1991, a high-ranking employee of the Dermatological Division of ORTHO directed employees of that division to destroy documents and other materials relating to RETIN-A and ORTHO's role in disseminating information about RETIN-A and its use in the treatment of photoaging;

(b) Beginning on or about January 3, 1991, a high-ranking representative of ORTHO authorized employees of the Public Affairs Group to destroy documents and other materials relating to RETIN-A and ORTHO's role in disseminating information about RETIN-A and its use in the treatment of photoaging;

(c) On or about January 3, 1991, employees of the Dermatological Division of ORTHO and the Public Affairs Group shredded, discarded, and otherwise destroyed documents and other materials relating to RETIN-A and

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ORTHO's role in disseminating information concerning
RETIN-A and its use in the treatment of photoaging; and

(d) On or about January 3, 1991, employees of the
Public Affairs Group removed from the premises of
ORTHO, videotapes relating to RETIN-A and its use in
the treatment of photoaging.

All in violation of Title 18, United States Code,
Section 371.

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COUNT 2

Obstruction of Justice

1. The allegations contained in paragraphs 1 through 18 of Count 1 of this Information are hereby realleged and incorporated as though set forth in full herein.

2. In or about January 1991, a federal grand jury duly empaneled by the U.S. District Court for the District of New Jersey, was engaged in the due administration of justice in that the aforementioned grand jury, under the direction of the U.S. Department of Justice, was investigating, among other things, the aforementioned RETIN-A public relations campaign and ORTHO's involvement in the work of the public relations firms hired by ORTHO to conduct this campaign.

3. On or about January 3, 1991, and in furtherance of the investigation, the January 3, 1991, grand jury subpoena was served upon Johnson & Johnson, including ORTHO, its subsidiary, and the Public Affairs Group. The grand jury subpoena required the production to the grand jury of, among other documents, all original documents relating to contacts between ORTHO, including the Public Affairs Group, and the public relations firms hired to disseminate information regarding RETIN-A, and all documents relating to press materials, press conferences, speaking engagements, media tours, and other events or activities involving the dissemination of information about RETIN-A and its potential use in the treatment of photoaged skin. The grand jury

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subpoena further stated, in part, that "[i]f [ORTHO] has knowledge of any document that would be responsive to this subpoena schedule but has been lost, destroyed, or discarded, it shall identify to the extent possible each such document."

4. In or about January 1991, in the District of New Jersey and elsewhere, the defendant,

ORTHO PHARMACEUTICAL CORP.,

knowingly, willfully, and corruptly influenced, obstructed and impeded, and endeavored to influence, obstruct and impede, the due administration of justice in connection with the aforementioned grand jury investigation, in that employees, under the direction of high-ranking ORTHO representatives, did shred, discard, destroy, and conceal documents and other records responsive to the January 3, 1991, grand jury subpoena.

All in violation of Title 18, United States Code, Sections 1503 and 2.

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COUNTS 3-10

Corruptly Persuading a Person to Destroy Documents

1. The allegations contained in paragraphs 1 through 18 of Count 1 of this Information are hereby realleged and incorporated as though set forth in full herein.

2. On or about the dates set forth below, in the District of New Jersey and elsewhere, the defendant,

ORTHO PHARMACEUTICAL CORP.,

knowingly and corruptly persuaded, caused to be persuaded, attempted to persuade, and engaged in misleading conduct toward the individuals described below with the intent to cause and induce those individuals to destroy, mutilate, and conceal documents and other objects in the possession, custody and control of ORTHO and the Public Affairs Group, with the intent to impair the integrity and availability of those documents and objects for use in an official proceeding, to wit: investigations conducted by federal agencies into the RETIN-A/photoaging public relations campaign and ORTHO's involvement in the work of the public relations firms hired by ORTHO.

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<u>Count</u>	<u>Date</u>	<u>Description</u>
3	JANUARY 3, 1991	Director of Strategic Projects, Dermatological Division, Ortho Pharmaceutical
4	JANUARY 3, 1991	Secretary to Vice President of the Dermatological Division, Ortho Pharmaceutical
5	JANUARY 3, 1991	Executive Director of Sales & Marketing, Dermatological Division, Ortho Pharmaceutical
6	JANUARY 3, 1991	Secretary to Executive Director of Sales & Marketing, Dermatological Division, Ortho Pharmaceutical
7	JANUARY 3, 1991	Manager of Professional Relations, Dermatological Division, Ortho Pharmaceutical
8	JANUARY 3, 1991	Director of Marketing Communications, Public Affairs Group
9	JANUARY 3, 1991	Marketing Communications Specialist, Public Affairs Group
10	JANUARY 3, 1991	Director of Corporate Communications, Public Affairs Group

†

All in violation of Title 18, United States Code,
Sections 1512(b)(2)(B) and 2.

Robert J. Cleary
ROBERT J. CLEARY
Acting United States Attorney

OLDAKER, RYAN, PHILLIPS & UTRECHT

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.

SUITE 1100

WASHINGTON, D.C. 20006

(202) 728-1010

FACSIMILE (202) 728-4044

March 28, 1996

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson
James Barr

Dear Mr. Noble:

This letter is submitted in response to the above-referenced matter on behalf of Ortho Pharmaceutical Corporation, Johnson & Johnson, and James Barr. The Federal Election Commission ("FEC" or "the Commission") has found reason to believe that the Respondents violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("FECA" or "the Act"). For the reasons set forth below, we request that the Commission take no further action against James Barr and accept the counterproposal agreement offered by Ortho Pharmaceutical Corporation ("Ortho Pharmaceutical") and Johnson & Johnson.

1. The Factual and Legal Analysis which formed the basis for the Commission's finding is incorrect in its assertions that James Barr was an officer of the corporation and that he contacted the parent company's government relations office regarding reimbursement of employee political contributions.

The Commission's Factual and Legal Analysis ("Staff Analysis") incorrectly asserts that James Barr was Vice President for Finance of Direct Access Diagnostics ("DAD" or "the Company"). Staff Analysis, Part II.B.1. This assertion is factually incorrect. James Barr's official job title at the time during the contributions in question were made was Director, Finance. At no time did James Barr hold the title of Vice President for Finance. The Staff Analysis also

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asserts that Elliott Millenson, President of DAD, requested James Barr to contact its parent company's government relations office in Washington, D.C. to inquire whether an employee could be reimbursed for contributions made from personal funds to a political candidate.¹ Staff Analysis, Part II.B.2. This is also incorrect. James Barr was never requested by Elliott Millenson to contact the parent company's government relations office and did not speak with anyone in this office regarding this matter. See attached affidavit of James Barr. In fact, it was Elliott Millenson who told James Barr that he *himself* would contact someone in government relations because he had previously dealt with and personally knew individuals who worked in that office.

Furthermore, the recitation of the circumstances surrounding this matter is inaccurate as to James Barr's involvement in this matter. While Elliott Millenson, President of DAD, consulted James Barr regarding the legality of corporate reimbursement of contributions, it was a brief conversation. Since neither party knew of the Company's policy in this matter, they agreed to seek additional advice regarding this policy. As previously stated, Elliott Millenson agreed to speak with someone at the parent company's government relations office and James Barr agreed to speak with someone at Ortho Pharmaceutical. A subsequent conversation was held by both parties, in which each related that he had learned from his respective contacts that corporate reimbursements of employee political contributions while not Company policy, were not illegal. Since he believed that the same advice was received from two separate sources, James Barr reasonably believed that the advice was correct. He then subsequently approved the employee expense reports seeking reimbursement for the political contributions. The total contribution reports that he approved were from five different individuals, totaling \$10,000. It was not until the beginning of 1995 that James Barr learned that contribution reimbursements were inappropriate and took immediate steps to remedy the situation.

The above paragraph accurately relays the full extent of the circumstances surrounding this matter. James Barr had no personal knowledge of federal campaign laws or any intention to violate such laws. He approved the employee expense reports in good faith based upon his belief that corporate reimbursement of employee political contributions was appropriate behavior. Although in hindsight this may have been an incorrect decision, James Barr did not know this at the time, and believed that he had determined that the reimbursements were permissible.

¹ DAD is a wholly-owned division of Ortho Pharmaceutical, a Delaware corporation, which is a wholly-owned subsidiary of Johnson & Johnson, a corporation organized under the laws of the State of New Jersey.

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2. There is no statutory authority for the Commission to find that James Barr was acting as an officer of the corporation and thus violated §441b(a) of the Act.

The Commission's finding against Mr. Barr is based solely on the misconception that he was a corporate officer when he approved employee expense reports.² This is legally and factually incorrect. Section 441b(a) of the Federal Election Campaign Act of 1971, states that it is unlawful for "any officer or any director of any corporation...to consent to any contribution or expenditure by the corporation..." 2 U.S.C §441b(a). Section 1 of Title 1 of the United States Code says "in determining the meaning of any Act of Congress, unless the context indicates otherwise an 'officer' includes any person authorized by law to perform the duties of the office." 1 U.S.C. §1. Thus, only individuals authorized by law to be officers or directors of a corporation may be liable for consenting to contributions or expenditures by the corporation.

Section 7 of the By-Laws of Ortho Pharmaceutical Corporation authorizes its Board of Directors to establish administrative divisions of the Corporation and to appoint a Management Board, the Chairman, President and/or General Manager of the Management Board to run the divisions. The Management Board, in turn, may appoint one or more Vice-Presidents, a Treasurer and other divisions officers as necessary. See attached copy of By-Laws of Ortho Pharmaceutical. Pursuant to this provision, Ortho Pharmaceutical authorized DAD to become an administrative division of Ortho Pharmaceutical on November 23, 1992. See attached Unanimous Consent of Directors. At no time did James Barr serve as an officer of DAD, or as an officer or director of Ortho Pharmaceutical within the meaning of the Ortho Pharmaceutical By-Laws. Please find the attached Affidavit of Laura Giacino, an employee of the Office of Corporate Secretary, confirming this fact.

Moreover, there is no evidence that the drafters of the FECA intended the Commission to extend liability to any person it believed was acting as an officer of a corporation. In fact, the authors specifically changed another provision of the

² The Staff Analysis relies on MUR 2575 (Toshiba America, Inc.) as authority that James Barr was acting as an officer of the corporation and thus, is liable under 2 U.S.C. §441b(a). The Staff Analysis in MUR 2575 cites two cases to support its conclusion that an individual should be considered an officer of corporation, even though the corporation does not so designate him or her -- Colby v. Kune, 178 F.2d 872 (2d Cir. 1949) and Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Livingston, 566 F. 2d 1119, 1121 (9th Cir. 1979). However, both of these cases were brought under the Securities Exchange Commission Act and there is no decisional law defining the term "officers" under the FECA.

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Act, 2 U.S.C. §441b(b)(A) from "executive officer" to "executive or administrative personnel" to include employees who run the corporation's business, such as "officers, other executives, and plant, division, and section managers..." Federal Election Commission, Legislative History of Federal Election Campaign Act Amendments of 1976, at 1056 (1977) (citing H.R. REP. NO. 1057, to accompany S. 3065, 94th Cong., 2d Sess. 63 (1976)). Thus, if the drafters had intended anyone other than a director or officer of the corporation to be personally liable for corporate actions under 2 U.S.C. §441b(a), they would have changed the term of this provision to reflect such an intention, as it did in other sections of the Act. Instead, Congress has limited personal liability only to corporate officers and directors, those individuals who traditionally have a fiduciary obligation to the corporation. Thus, James Barr is not an officer within the meaning of the FECA and the Commission should take no further action with respect to him.

The contributions reimbursed were clearly unintentional mistakes by individuals who did not understand that corporate reimbursements were impermissible. As stated in our previous letter of March 27, 1995, the Respondents have made every effort to undo this unintentional error as evidenced by the repayment of the employee contributions from personal funds, an internal audit of all employee reimbursements, and additional employee training to ensure such activity will never occur again.

Sincerely,



Lyn Utrecht

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AFFIDAVIT OF JAMES BARR

I, James Barr, state as follows:

1. As described herein, several of the statements made in the Federal Election Commission's Factual and Legal Analysis ("Staff Analysis") of February 26, 1996, are factually incorrect as to the scope of my employment at Direct Access Diagnostics ("the Company" or "DAD") and the circumstances surrounding Ortho Pharmaceutical Corporation's ("Ortho") reimbursement of political contributions. I submit this affidavit to correct those errors.
2. I was the Director, Finance at DAD from August 1993 to October 1994. I was not the Vice President for Finance as stated in Paragraph 1 of the Staff Analysis. As Director, Finance, my job included, but was not limited to, reviewing and approving employee expense reports within a certain dollar limit.
3. I was not an officer of DAD nor was I acting as a corporate officer as stipulated in the Staff Analysis, footnote 5. DAD is a division of Ortho, a Delaware corporation, which is a wholly-owned subsidiary of Johnson & Johnson, a corporation organized under the laws of the State of New Jersey. While DAD was authorized to have a Management Board and other division officers, at no time was I appointed, nor did I serve as, a division officer. Nor was I at that time an Ortho corporate officer.
4. I was not asked by Elliott Millenson, the President of DAD, to directly contact a senior manager in the Government Relations office of Johnson & Johnson ("Government Relations") regarding the corporation's policy on reimbursing employee political contributions as stated in the Staff Analysis in Paragraph 2. Rather, Mr. Millenson and I spoke briefly about the reimbursement by DAD of political contributions by DAD employees and agreed Mr. Millenson would contact Johnson & Johnson's Government Relations office and I would contact a knowledgeable person at Ortho. At no time did I directly contact anyone at Government Relations, nor did I ever hold a conversation with anyone in Government Relations regarding Johnson & Johnson's policy. Mr. Millenson later told me that he did speak with someone in Government Relations who told him that the parent corporation's policy did not include procedures for reimbursing employee political contributions, but such corporate reimbursements were not illegal. I told him that this was the same response I received from Ortho. My conversations with Mr. Millenson regarding this matter did not last longer than a few minutes. Moreover, to the extent that the Staff Analysis suggests that Mr. Millenson received advice from me and later contacted Government Relations to double-check that advice, that suggestion is inconsistent with my recollection.

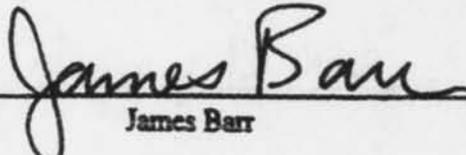
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I recall that Mr. Millenson and I simultaneously spoke to Government Relations and Ortho.

- 5. Based upon the same advice from two separate sources, it was my belief that corporate reimbursements of employee political contributions were permissible.
- 6. At the time I made a contribution and approved reimbursements of employee contributions, I had no information or knowledge that a corporate reimbursement to an employee could in any way be considered an improper contribution from the corporation. In early 1995 when I became aware that such reimbursements were impermissible, I refunded Ortho the full amount from my personal funds.

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

Executed on this 28 day of March, 1996.



 James Barr

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BY-LAWS

OF

ORTHO PHARMACEUTICAL CORPORATION

INCORPORATED UNDER THE LAWS

OF THE STATE OF

DELAWARE

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ARTICLE I
MEETINGS OF STOCKHOLDERS

SECTION 1.

Annual Meeting

(A) - Holding of annual meeting.

A meeting of the stockholders of the Corporation shall be held annually at 9:00 o'clock in the forenoon on the 1st

day of January or if such day be a legal holiday then at the same hour on the next secular day which is not a legal holiday, at such place within or without the State as may be fixed by the Board of Directors, for the purpose of electing directors and for the transaction of all other business that is brought before the meeting. Such meeting duly convened may be adjourned from time to time.

(B) - Notice of annual meeting.

At least ten (10) days but not more than sixty (60) days prior to the day designated by Clause (A) of Section 1 of this Article for the holding of any annual meeting of stockholders, written notice of the time and place of such meeting shall be delivered personally or by mail to each stockholder entitled to vote at such meeting.

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SECTION 2.

Delayed Annual Meeting

(A) - Holding of delayed annual meeting.

If for any reason the annual meeting of the stockholders shall not be held on the day designated by Clause (A) of Section 1 of this Article, or on any subsequent day to which it shall have been duly adjourned, such meeting may be called and held as a special meeting, and the same proceedings may be had and the same business may be transacted at such meeting as at any annual meeting.

(B) - Notice of delayed annual meeting.

Notice of a delayed annual meeting shall be given in the same manner as required by Clause (B) of Section 1 of this Article to be given for the annual meeting.

SECTION 3.

Special Meetings

(A) - Holding of special meeting.

A special meeting of the stockholders may be called at any time by the Chairman of the Board of Directors, by the President, or by a majority of the Board of Directors.

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(B) - Notice of special meeting.

At least ten (10) days prior to the date designated for the holding of any special meeting of the stockholders, written notice of the time, place, and purpose of such meeting shall be delivered personally or by mail to each stockholder entitled to vote at such meeting.

SECTION 4.

Notice of Meetings

(A) - Service of notice.

A notice of meeting shall be deemed duly served when deposited in the United States Mail with postage fully paid or delivered personally to each and plainly addressed to the stockholder at his latest address appearing upon the stock books of the Corporation.

(B) - Waiver of notice.

Notice of the time, place, and purpose of any meeting of the stockholders may be waived by instrument in writing.

Anything in these By-Laws to the contrary notwithstanding, a special meeting of stockholders shall be deemed duly called if notice of the time, place, and purpose of such meeting shall have been waived by stockholders entitled to vote ninety percent (90%) of the outstanding stock entitled to vote, and if notice

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of the time, place and purpose of such meeting shall have been served by personal delivery or by telegram at least two (2) days prior to the date designated for the holding of such meeting on the remaining stockholders entitled to vote who shall not have waived notice.

SECTION 5.

Quorum

At any meeting of the stockholders the holders of a majority of the issued and outstanding stock entitled to vote at such meeting, present in person, or represented by proxy, shall constitute a quorum for all purposes.

SECTION 6.

Voting

(A) - Inspectors.

At any meeting of the stockholders, if the chairman of the meeting so directs or if any stockholder present so requests, the polls shall be opened and closed, the proxies and ballots shall be received and taken in charge, and all questions with respect to the qualifications of voters, the validity of proxies, and the acceptance or rejection of votes, shall be decided by three inspectors to be appointed by the chairman of the meeting.

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(B) - Eligibility to vote.

Each stockholder shall have one vote for each share of stock entitled to vote as provided in the Certificate of Incorporation or otherwise by law and registered in his name on the books of the Corporation.

(C) - Methods of voting.

At any meeting of the stockholders each stockholder shall be entitled to vote either in person or by proxy appointed by instrument in writing subscribed by such stockholder, or by his duly authorized attorney, and delivered to the Secretary or to the inspectors at the meeting.

(D) - Fixing record date for the determination of stockholders entitled to vote.

The Board of Directors may designate, but shall not be required to designate, in advance, a date, not exceeding twenty (20) days preceding the date of any meeting of stockholders, or the date for the payment of any dividends, or the date for the allotment of rights, or the date when any change, conversion, or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividends, or any such allotment of rights, or to exercise the rights with respect to any such change, conversion, or exchange of capital stock, and if date is so designated only stockholders of record on such date shall be entitled to such

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notice of, and to vote at, such meeting, or to receive payment of such dividends, or allotment of rights, or exercise of such rights, as the case may be, and notwithstanding any transfer of any stock on the books of the Corporation after any such record date designated as aforesaid.

SECTION 7.

Action By Written Unanimous Consent.

Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than the unanimous written consent shall be given to those stockholders who have not consented in writing.

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ARTICLE II
MEETINGS OF THE BOARD OF DIRECTORS

SECTION 1.

Annual Meeting

At the place of holding the annual meeting of the stockholders, and immediately following the same, the Board of Directors, as constituted upon final adjournment of such annual meeting, shall convene without further notice for the purpose of electing officers and transacting all other business properly brought before it.

SECTION 2.

Regular Meetings

Regular meetings of the Board of Directors shall be held at such places, either within or without the State of Incorporation of the Corporation and at such times as the Board may from time to time determine; and, if so determined by a quorum of the Board, no advance notice of meeting need be given.

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SECTION 3.

Special Meetings

Special meetings of the Board of Directors may be held at any time and place whenever called by the Chairman of the Board of Directors, by the President, by a Vice-President, by the Secretary, or by any three or more directors; and, if so determined by a quorum of the Board, no advance notice of meeting need be given.

SECTION 4.

Notices of Meetings

(A) - Notice required.

In the absence of a determination by a quorum of the Board of Directors that no advance notice need be given, then, at least two (2) days prior to the day of holding any regular or special meeting of the Board, notice of the time, place, and purpose of such meeting shall be delivered personally or by mail, telegram, telephone or facsimile, upon each member of the Board.

(B) - Waiver of notice.

Notice of the time, place, and purpose of any meeting of the Board of Directors may be waived by instrument in writing or by telegram or facsimile.

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SECTION 5.

Quorum

A majority of the Board of Directors shall constitute a quorum for all purposes and at all meetings.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1.

Number of Members

The number of directors of the Corporation shall be not less than one nor more than twenty as determined by the Board of Directors from time to time.

SECTION 2.

Term of Office

Each director shall hold office until the next succeeding annual meeting and until his successor is duly elected and qualified, provided, however, that any director may be removed from office, with or without cause, at any time by a majority vote of the stockholders entitled to vote.

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SECTION 3.

General Powers

The business, property, and affairs of the Corporation shall be managed by the Board of Directors. In the management and control of the property, business, and affairs of the Corporation, the Board is hereby vested with all powers possessed by the Corporation itself insofar as this delegation of authority is not inconsistent with or repugnant to the laws of the State of Incorporation of this Corporation, or these By-Laws or any amendments of them. The Board shall have discretionary power to determine what constitutes net earnings, profits, and surplus, what amount shall be reserved for working capital and for any other purposes, and what amount shall be declared as dividends. Such determinations by the Board shall be final and conclusive.

SECTION 4.

Specific Powers

(A) - Power to make and amend By-Laws.

Subject to the limitations contained in Article IX hereof, the Board of Directors shall have power to make, alter, amend, and repeal any By-Laws, including a By-Law designating the number of directors, provided that the Board shall not make, alter, amend, or repeal any By-Laws designating the qualification or term of office of any member or members of the then existing Board.

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(B) - Power to elect officers.

The Board of Directors shall elect all officers of the Corporation.

(C) - Power to remove officers.

Any officer, any agent of the Board of Directors, or any member of any committee may be removed by the Board of Directors with or without cause, whenever in its sole judgment the interests of the Corporation will be served by such removal.

(D) - Power to fill vacancies.

Vacancies in the Board of Directors, including directorships to be filled by reason of an increase in the number of directors, shall be filled by appointment made by a majority of the directors then in office. The Board shall have power to fill any vacancy in any office.

SECTION 5.

Delegation of Powers

The Board of Directors may delegate from time to time to an officer or committee any duties that are authorized or required to be executed during the intervals between meetings of the Board, and such officer and committee shall report to the Board when and as required by the Board.

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CTION 6.

Designation of Depositories

The Board of Directors shall designate the trust company or trust companies, or the bank or banks, in which shall be deposited the moneys and securities of the Corporation.

CTION 7.

Power to Establish Divisions

The Board of Directors may establish administrative or operating divisions of the Corporation. Each such division may have a Management Board, the Chairman, President and/or General Manager of which shall be appointed by the Board of Directors, the Chairman of the Board of Directors or the President. The Chairman, President and/or General Manager of the Management Board of a division may appoint the other members of its Management Board and that Board may in turn appoint one or more Vice-Presidents, a Treasurer and such other division officers as it may determine to be necessary or desirable. The Management Board and the officers of the division shall perform the same duties and, except for the power to designate depositories, shall have the same powers as to their division as pertain, respectively, to a board of directors and officers of a

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corporation. The powers granted in the preceding sentence include, without limitation, the power to execute and deliver on behalf of the Corporation, contracts, conveyances and other instruments. Such power and any other power granted in this Section shall at all times be subject to the right of the Board of Directors to act or direct action in the premises.

SECTION 8.

Action by Written Unanimous Consent

Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the board of directors may be taken without a meeting, if all members of the board, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board.

SECTION 9.

Action By Telephone Conference

Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, members of the board of directors, may participate in a meeting of the board of directors by means of conference telephone or similar

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communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

ARTICLE IV

OFFICERS

SECTION 1.

Enumeration of Officers

The officers of the Corporation shall be a Chairman of the Board of Directors; a President; Chairmen, Presidents and/or General Managers of Divisions; one or more Vice Presidents; a Treasurer, one or more Assistant Treasurers; a Secretary, one or more Assistant Secretaries; and such other officers as from time to time shall be designated and elected by the Board of Directors.

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SECTION 2.

Election and Removal of Officers

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All officers of the Corporation shall be elected at the first meeting of the Board of Directors after the annual election of directors, and shall hold office for one (1) year and until their respective successors shall have been duly selected and qualified, provided, however, that all officers, agents, and employees of the Corporation shall be subject to removal at any time, with or without cause, by the affirmative vote of a majority of the Board. At its discretion, the Board may leave unfilled, for such period as it may deem proper, any office except that of President, Treasurer and Secretary. Failure to elect any such officer shall be considered an exercise of this discretionary power.

SECTION 3.

Duties of Officers

(A) - Chairman of the Board of Directors.

The Chairman of the Board of Directors shall be the chief executive officer of the Corporation. He shall preside at all meetings of stockholders and directors. Except where by law the signature of the President is required, the Chairman of the Board shall possess the same power as the President to sign all certificates, contracts, and other instruments of the

Corporation authorized by the Board of Directors. During the absence or disability of the President, the Chairman of the Board shall exercise, or shall designate another officer to exercise, all powers and discharge all duties of the President. He shall have all powers and shall perform all duties commonly incident to and vested in the office of Chairman of the Board of a corporation. He shall also perform such other duties as the Board shall designate from time to time.

(B) - Vice-Chairman of the Board of Directors.

The Vice-Chairman of the Board of Directors shall perform the duties and have the powers of the Chairman during the absence or disability of the Chairman, and shall also perform such other duties as the Board shall designate from time to time.

(C) - President.

The President, in the absence of the Chairman of the Board of Directors, shall preside at all meetings of the stockholders and of the Board of Directors. He shall have general charge and supervision of the business of the Corporation and shall have all powers and shall perform all duties commonly incident to and vested in the office of President of a corporation. He shall also perform such other duties as the Board shall designate from time to time.

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(D) - Vice-President.

A Vice-President shall perform the duties and have the powers of the President during the absence or disability of the President, and shall perform such other duties and have such other powers as the Board of Directors, the Chairman of the Board, or the President shall designate from time to time.

(E) - Treasurer.

The Treasurer shall have the care and custody of the funds of the Corporation, and shall have and exercise, under the supervision of the Board of Directors, all powers and duties commonly incident to the office of Treasurer. He shall deposit all funds of the Corporation in such trust company or trust companies, or bank or banks, as the Board shall designate from time to time. He shall endorse for deposit or collection all checks, notes, and drafts payable to the Corporation or to its order, and make drafts on behalf of the Corporation. He shall keep accurate books of accounts of the Corporation's transactions, which books shall be the property of the Corporation, and, together with all its property in his possession, shall be subject at all times to the inspection and control of the Board. He shall keep the Corporation's stock book, stock ledger, and stock transfer book, and shall prepare, issue, record, transfer, and cancel certificates of stock as required by the proper transactions of the Corporation and of its stockholders. He shall have all powers and shall perform all duties commonly incident to and vested in the office of Treasurer of a corporation. He shall also have such other duties as the Board may designate from time to time.

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(F) - Assistant Treasurer.

An Assistant Treasurer shall perform the duties and have the powers of the Treasurer during the absence or disability of the Treasurer, and shall perform such other duties and have such other powers as the Board of Directors or Treasurer shall designate from time to time.

(G) - Secretary.

The Secretary shall attend all meetings of the stockholders and of the Board of Directors, and shall keep and preserve in books of the Corporation true minutes of the proceedings of all such meetings. He shall have the custody of all valuable papers and documents of the Corporation. He shall keep in his custody the seal of the Corporation, and shall have authority to affix same to all instruments where its use is required. He shall give all notices required by statute, by the Certificate of Incorporation, or by the By-Laws. He shall have all powers and shall perform all duties commonly incident to and vested in the office of Secretary of a corporation. He shall also perform such other duties as the Board shall designate from time to time.

(H) - Assistant Secretary.

An Assistant Secretary shall perform the duties and have the powers of the Secretary during the absence or disability of the Secretary, and shall perform such other duties and have such other powers as the Board of Directors or Secretary shall designate from time to time.

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ARTICLE V
STOCK

SECTION 1.

Form of Stock Certificate

Each holder of stock of the Corporation shall be entitled to a stock certificate signed by the President or a Vice-President, and also by the Treasurer or an Assistant Treasurer, or by the Secretary or an Assistant Secretary. The certificates of shares shall be in such form as shall be prescribed by the Board of Directors.

SECTION 2.

Loss of Stock Certificate

In the case of loss, mutilation, or destruction of an issued and outstanding certificate of stock, a duplicate certificate may be issued upon such terms as the Board of Directors may prescribe.

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SECTION 3.

Transfer of Shares of Stock

Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of such shares in person or by his attorney upon surrender and cancellation of a certificate or of certificates for an equivalent number of shares.

ARTICLE VI

EXECUTION OF INSTRUMENTS

SECTION 1.

Checks and Drafts

All checks, drafts, and orders for payment of moneys shall be signed in the name of the Corporation, and on its behalf, by such officers or agents as the Board of Directors shall designate from time to time.

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SECTION 2.

Contracts and Conveyances

When the execution of any contract, conveyance, or other instrument, has been authorized by the Board of Directors without specification as to the executing officer, the Chairman of the Board of Directors, the President, or a Vice-President may execute the same in the name and on behalf of the Corporation, and the Secretary or an Assistant Secretary may affix the corporate seal thereto.

SECTION 3.

In General

The Board of Directors shall have power to designate officers and agents who shall have authority to execute any instrument on behalf of the Corporation.

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ARTICLE VII
VOTING UPON STOCK HELD BY THE CORPORATION

Unless otherwise ordered by the Board of Directors, the President shall have full power and authority in behalf of the Corporation to attend, to act at, and to vote at any meeting of stockholders of any corporation in which this Corporation may hold stock, and at any such meeting shall possess, and may exercise all rights and powers incident to the ownership of such stock which any owner thereof might have possessed and exercised if present. The Board, by resolution, from time to time, may confer like powers upon any other person or persons.

ARTICLE VIII
FISCAL YEAR

The fiscal year of the Corporation shall be fixed by the Board of Directors.

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ARTICLE IX
AMENDMENT OF BY-LAWS

These By-Laws may be amended, altered, changed, added to, or repealed at any annual meeting of the stockholders, without advance notice, or at any special meeting of the stockholders if notice of the proposed amendment, alteration, change, addition, or repeal be contained in the notice of the special meeting, or by the Board of Directors at any regular or special meeting of the Board if notice of the proposed amendment, alteration, change, addition, or repeal be contained in the notice of such meeting of the Board, provided, however, that action taken by the stockholders intended to supersede action taken by the Board in making, amending, altering, changing, adding to, or repealing any By-Laws, shall supersede prior action of the Board and shall deprive the Board of further jurisdiction in the premises to the extent indicated in the statement, if any, of the stockholders accompanying such action of the stockholders.

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ORTHO PHARMACEUTICAL CORPORATION

ACTION AUTHORIZED BY
UNANIMOUS CONSENT OF DIRECTORS
IN LIEU OF A
SPECIAL MEETING OF DIRECTORS

The undersigned, being all of the Directors of Ortho Pharmaceutical Corporation, a Delaware corporation, pursuant to the provisions of Delaware General Corporation Law, Section 141(f), do hereby authorize and consent to the following action being taken in lieu of a Special Meeting of Directors:

RESOLVED: that pursuant to the provisions of Article III, Section 7 of the By-Laws, there shall be an administrative division of this Corporation and it shall be named:

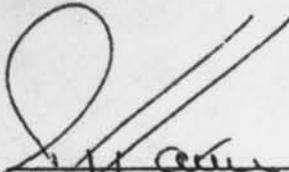
Direct Access Diagnostics division
and further;

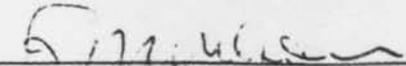
RESOLVED: that J. Bowman be and he hereby is elected Chairman of the Management Board of the Direct Access Diagnostics division of Ortho Pharmaceutical Corporation to serve in accordance with the By-Laws until the next Annual Meeting of the Management Board and until his successor has been duly elected and qualified.

R. C. Deyo
R. C. Deyo

B. J. Geiger
B. J. Geiger

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P. T. Tattle


R. N. Wilson


E. P. Milledge

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Effective Date: November 23, 1992

AFFIDAVIT

STATE OF NEW JERSEY :

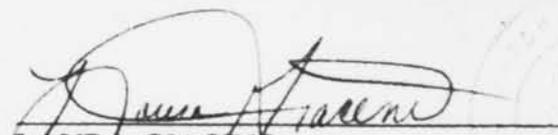
SS:

COUNTY OF MIDDLESEX :

LAURA GIACINO, being duly sworn, deposes and says:

1. I am employed by the Office of Corporate Secretary at Johnson and Johnson. I am responsible for maintaining the corporate books and records of Johnson & Johnson and its various operating companies and divisions.

2. At the request of Donna M. Malin, an attorney in the Office of General Counsel at Johnson & Johnson, I conducted a computer search to ascertain whether James Barr has ever been an officer or director of Direct Access Diagnostics, a division of Ortho Pharmaceutical Corporation. My search confirmed that Mr. Barr held no such position or title at Direct Access Diagnostics or its parent Company. Attached hereto is a listing of the officers of Direct Access Diagnostics.


LAURA GIACINO

Sworn and subscribed to before me
this 20th day of March, 1996.


CARYN ENOCH

CARYN A. ENOCH
A Notary Public of New Jersey
My Commission Expires Sept. 28, 1999

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Officers

<u>Last Name</u>	<u>First</u>	<u>MI</u>	<u>Title</u>	<u>Date Elected</u>	<u>Status</u>	<u>Date Withdrawn</u>
<u>Direct Access Diagnostic Division of OPC</u>						
Parlin	G		Chairman	8/1/1993	Historical	04/25/1995
Milleneon	E		Chief Executive Officer	8/1/1993	Historical	02/02/1995
Milleneon	E		President	8/1/1993	Historical	02/02/1995
Strongin	W		VP	8/1/1993	Historical	02/09/1996
Bowman	J	L	Chairman	11/23/1992	Historical	08/01/1993

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20461

April 15, 1996

POSTMASTER

1661 Ringling Blvd.

Sarasota, FL 34230

MUR 4297

ADDRESS INFORMATION REQUEST

Pursuant to 39 C.F.R. § 265.6(d)(1), please furnish this agency with a new address, if available, for the individual or entity listed below, or verify whether the address given below is one at which mail for this individual or entity is currently being delivered.

NAME: Margaret Blosser

LAST KNOWN ADDRESS: 5202 DeSoto Pkwy
Sarasota, FL 34234

Under 39 C.F.R. § 265.9(g)(5)(i), we request a waiver of fees. In this connection I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted. A return envelope is enclosed for your convenience.

Lois G. Lerner
Associate General Counsel

FOR POST OFFICE USE ONLY

- () Mail is Delivered to Above Address
- () Moved, left no forwarding address
- () No such address
- () Other (Please Specify)

New Address : _____

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Law Offices

HOLLAND & KNIGHT

A Partnership Including Professional Corporations

2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037-3202
202-955-3000
FAX 202-955-5564

Atlanta	Orlando
Fort Lauderdale	St. Petersburg
Jacksonville	Tallahassee
Lakeland	Tampa
Miami	West Palm Beach

April 16, 1996

WILLIAM B. CANFIELD, III
202-862-5960

Internet Address:
WCANFIEL@HKLAW.COM

VIA HAND DELIVERY

Mark Allen, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

APR 15 4 23 PM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: M.U.R. 4297, Elliott Millenson

Dear Mr. Allen:

As you know, Elliott Millenson submitted an affidavit in the above captioned matter to the Federal Election Commission (the "Commission") on March 7, 1996. That affidavit was provided to the Commission in response to the letter of February 26, 1996, from Commissioner Joan Aikens. In her letter, Commissioner Aikens indicated that, as a Respondent, Mr. Millenson had the right to submit supplemental factual materials to the Commission.

Attached hereto you will find a supplement to that affidavit, also under oath, which provides a few minor corrections to the affidavit submitted in March 7, 1996, and, in addition, provides new information for consideration by the Commission. The new information contained in the attached supplementary affidavit further illustrates the active roles played by Johnson & Johnson Company Group Chairman Gary V. Parlin and Direct Access Diagnostic's ("DAD") finance director, James Barr, in the corporate approval process by which certain federal political contributions made by Mr. Millenson were reimbursed. As the supplementary affidavit demonstrates, the reimbursement to Mr. Millenson of these contributions only occurred following Mr. Millenson's submission of normal DAD expense reports and the approval of these expense reports by his corporate supervisors.

Mr. Millenson's personal knowledge of the facts surrounding these corporate reimbursements and his knowledge of the apparent effort undertaken by Johnson & Johnson to cover up its involvement in the reimbursement of these contributions will be of significance to the Commission. As indicated in my letter of March 7, 1996, we

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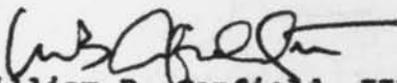
Mark Allen, Esq.
RE: MUR 4297
April 16, 1996
Page -2-

remain willing and able to meet with Commission staff to further
amplify and explain the issues underlying this MUR.

With best wishes,

Sincerely,

HOLLAND & KNIGHT


William B. Canfield, III

WBC/ja
Encl.
cc: J. Alan Galbraith, Esq.
Elliott Millenson

WAS-160584/44275.1 .

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state political contribution (to Stan Lundine, who was running for Lieutenant Governor of New York) was also missing its front page.

4. In paragraph 32 of my original affidavit, I stated that it was in September of 1995 that I discovered that I had copies of some of my expense reports with Parlin's signature. However, the correct month was August, as I stated in paragraph 29.

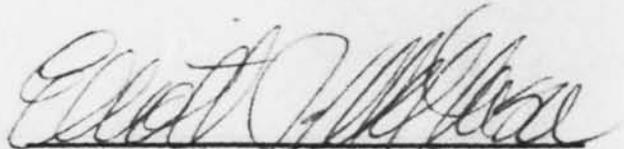
5. In paragraph 34 of my original affidavit, I stated that the meeting with Larsen, J&J's chairman, was on January 13. I based that date on a notation in my pocket diary showing a meeting with Larsen on that date. However, there were a number of meetings with Larsen during that period. I cannot pinpoint the exact date of the meeting in which he discussed Ortho's felony plea because I did not make a note of it, but I clearly recall the meeting itself.

6. In paragraph 36 of my original affidavit, the correct reference is Exhibit 4, not Exhibit 3, at the end of the first sentence. I might note that Parlin sent me on January 11 both his memo of that date, along with his memo of November 18. Thus, Tattle also may well have received both the January 11 and November 18 memos from Parlin on January 11.

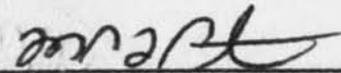
7. In paragraph 39 of my original affidavit, I stated that I promptly reimbursed Ortho for all reimbursed political contributions that inadvertently occurred during my presidency at DAD. I now attach as Exhibit 15 a copy of my letter to Mr. Peter Tattle, Company Group Chairman of J&J, of February 15, 1995 (the

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letter was inadvertently dated November 15, 1995, but was, in fact, sent on February 15, 1995), which enclosed my personal check for \$6,500 to Ortho (also attached as Exhibit 15) for reimbursement of the federal political contributions that inadvertently occurred during my presidency at DAD. I also attach as Exhibit 16 a copy of my letter to Mr. Peter Tattle of February 22, 1995, which enclosed my personal check for \$3,250 to Ortho (also attached as Exhibit 16) for reimbursement of the state political contributions that inadvertently occurred during my presidency at DAD.


Elliott J. Millenson

Subscribed and sworn to before me this 12th
day of Apr., 1996.


Notary Public
MARK L. PETERSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 23, 1998

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Exhibit 2

Name: William J. Milneson	Location: D.A.D.
SSN: [REDACTED]	Extension: 210 7302
Signature: <i>[Handwritten Signature]</i>	Approach: <i>[Handwritten Signature]</i>
Date: 4/11/94	

Direct Access Diagnostics Expense Report

Dept. Acct. Code	Toll Code	Project No.	Reference Field	Amount
154R GRD 14-50025	591000			800.48
TOTAL				\$ 800.48

60a. Expenses
Purpose of Trip

Date	ACTIVITY/ LOCATION	#	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)			Phone telegram Postage	Air/ Rail/ Car Rent	Personal Car 0.275 / mile Miles/Amount	Business Meals/ Enter.	Taxis/ Valet	TIPS (Net Meals)	MISC. Other **	TOTAL CASH EXP.	TOTAL CREDIT EXP.	DESCRIPTION
				BREAKFAST	LUNCH	DINNER										
Jan	Bridgewater						36.01							36.01		
2/21							150.32			13.00				13.00		
3/24									25.00				500.00	500.00		
3/7 DC														23.00		
3/27 DC									73.92					73.92		
TOTALS							186.36	73.92		38.00			500.00	800.48		

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
 **ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel 0.00
 Less Travel Advance \$ 0.00
 Less Prior Balance Due 0.00
 Total Due Employee 800.48
 Total Due Ortho (attach check) 0.00

TOTAL CASH & CREDIT EXP. 800.48

Other Expenditures
 Room Deposit
 Registration Fees
 Registration Fees

TOTAL COST OF TRIP 800.48

CASHER'S SIGNATURE

VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AMT	DATE REQ'D	CUR. PERIOD	BATCH
COMP	DIV	LOC	DEPT	TAIL	PROJECT/REF NO	AMT TO BE CHARGED	
PREPAID CHECK DAY		PREPAID CHECK NO		1699 CT	1699 AMOUNT	APPROVAL	

9 7 0 4 3 8 5 0 3 0 2

DI3 lunch
Kernlopuly
2/21.

RECEIVED
FEBRUARY 25 1997
10:10 AM

10:10 AM

[Redacted]

[Redacted]

[Redacted]

97043850304

ELLIOTT J. MILLENSON

1049

PAY TO THE ORDER OF New Ocean Catering Fund February 27 1997 NEW

Five Hundred and 00/100 \$ 500.00

& National Westminster Bank NJ

MEMO lunch

[Signature]

DOLLARS



HERTZ CORPORATION
 P.O. BOX 24120
 OKLAHOMA CITY, OK 73124
 1-800-654-4173

Rental Agreement No: 57308611-3

TO BE PAID BY

ELLIOTT MILLENSON###
 908-253-6412

Contract No.	01898-00	REV %		DATE/TIME IN	03/27/94 20:21
VEHICLE NO.	0004206975	DATE/TIME OUT		03/26/94 13:00	
VEHICLE LICENSE NO.	ZV68483	VEHICLE TO BE RENTED TO		01810-11	
VEHICLE MAKE-BODY STYLE	F	RENT CLASS	F	RENT PER 15	RENT PER DAY
				VEUL	VEUL
VEHICLE	F	SUB/CD	2	33.39	67.98
MILEAGE	0	PER 15			.00
MILES	1739	MONTH	0		.00
MILES	1596	DAY	0		.00
MILES	141	HOURS	0		.00
MILES		ALLOW			.00
RATE CONDITIONS * Minimum Rental Charge One Rental Day (24 hours) * Rates do not include fuel and service charge					
you agree to upgrade at additional charge					
Fuel and Service Charge .140 Per Mile 2.79 Per Gallon					
Personal Accident Insurance (PAI)/ Personal Effects Coverage (PEC)					
Liability Insurance Supplement (LIS)					
Voucher/Certificate No					
IT Number					
Reservation ID No					
Rental Source					
Rental Class					
Currency Conversion Rate					
Please Pay This Amount					

VEHICLE RENTED TO (City/State): WASHINGTON DC, INTERNATIONAL 01810-11

VEHICLE RENTED FROM (City/State): WASHINGTON DC, INTERNATIONAL 01810-11

Cust. telephone No. 908-218-7302 Date Due 03/27/94 Date Returned 03/27/94

RENTER'S NAME: ELLIOTT MILLENSON

Thank You For Renting From Hertz

SIGNATURE ON FILE

Rental Agreement No
 573086113

* PRINTED FOR 964 HBIC ***

97043850305

1977 AU

Name: Elliott J. Millenson	Location: D.A.D.
SSN: [REDACTED]	Extension: 218-7302
Signature: [Signature]	Approval: Jim Barr
Date: 10/3/94	

**Direct Access Diagnostics
Expense Report**

Dept. Acct. Code	Tail Code	Project No	Reference Field	Amount
154R-000-14-53025	644000			250.00
	650000			
TOTAL \$				250.00

contribution
Purpose of Trip

Date	ACTIVITY/ LOCATION	#	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)			Phone Telegram Postage	Air/ Rail/ Car Rent	Personal Car 0.275 / mile		Business Meals/ Enter.	Laundry/ Valet	TIPS (Not Meals)	MISC. Other **	TOTAL CASH EXP.	CREDIT EXPENDITURES										
				# BRKFAST	# LUNCH	# DINNER			TOTAL CREDIT EXP.	DESCRIPTION																
10/3	contribution													250.00	250.00											
TOTALS																						250.00	250.00	\$	TOTAL CASH & CREDIT EXP.	\$ 250.00
			(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)			(L)										

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE

**ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel 0.00
 Less Travel Advance \$ 0.00
 Less Prior Balance Due Ortho 0.00
 Total Due Employee 250.00
 Total Due Ortho (attach check) 0.00

Other Expenditures
 Room Deposit
 Registration Fees
 Registration Fees

CASHIER'S SIGNATURE

TOTAL COST OF TRIP \$ 250.00

VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AM	DATE REQ'D	CUR. PERIOD	BATCH
CORP	DIV	LOC	DEPT	TAIL	PROJECT/REF NO	AMT TO BE CHARGED	
PREPAID CHECK DAT	PREPAID CHECK NO	1099 CD	1099 AMOUNT	A/P APPROVAL			

9 7 0 4 3 8 5 0 3 0 6

ELLIOTT J. MILLENSON

1136

10/3 19 94

NEW
JERSEY

PAY TO THE ORDER OF Friends of Marjorie Margolies Mezvinsky \$ 250.00

Two Hundred Fifty and 00/100 DOLLARS

 National Westminster Bank NJ
Pluckemin Office
Route 202-208 South, Pluckemin, NJ 07978

MEMO contribution



97043850308

WENDY STRONGIN, M.D.
ELLIOTT J. MILLENSON

14 53025 65 0000

595

95-523/212

February 22 19 95

PAY TO THE ORDER OF

Ostra

\$ 3,250.00

Three Thousand Two Hundred Fifty ^{00/100} DOLLARS



PEAPACK-GLADSTONE BANK
PLUCKEMEN OFFICE
RED BANK, NEW JERSEY 07921

MEMO

resident

Elliott J. Millenson

97043850309

FEDERAL RESERVE BOARD OF GOVERNORS, WASHINGTON, D.C.

3 MR '95 28 3
0212-0400-5
0212-0400-5 3

125
125
125
125

ENDORSE 03400099
PAY TO THE ORDER OF
HARRIS TRUST AND SAVINGS BANK
CHICAGO, ILLINOIS 60601
P 071000000000
FOR DEPOSIT ONLY
ORION PHARMACEUTICAL CORP
GENERAL RECEIPTS ACCOUNT
3897386
DO NOT WRITE STAMPS OR SIGNATURES IN THESE SPACES
27 MAR 1995
98200

Name: Elliott J. Millenson Location: D.A.D.
 SS #: [Redacted] Extension: 218-7302
 Date: 10/24/94 Approved: Jim Barr 10-26-94

**Direct Access Diagnostics
Expense Report**

10376

Dept. Acct. Code	Tail Code	Project No	Reference Field	Amount
154R-000-14-53025	541000			5150.00
TOTAL				\$ 5150.00

contributions
 Purpose of Trip

Date	ACTIVITY/ LOCATION	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)						Phone Telegrams Postage	Air/ Rail/ Car Rent	Personal Car 0.275 / mile Miles/Amount	Business Meals/ Enter.	Laundry Valet	TIPS (Not Meals)	MISC. Other **	TOTAL CASH EXP.	CREDIT EXPENDITURES		
			#	BRKFST	#	LUNCH	#	DINNER									TOTAL CREDIT EXP.	DESCRIPTION	
10/25	contributions														5150.00	5150.00			
TOTALS																\$ 5150.00	\$ 5150.00		

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
 **ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel 0.00
 Less Travel Advance # 0.00
 Less Prior Balance Due Ortho 0.00
 Total Due Employee 5150.00
 Total Due Ortho (attach check) 0.00

TOTAL CASH & CREDIT EXP. \$ 5150.00

TOTAL COST OF TRIP \$ 5150.00

CASHIER'S SIGNATURE

VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AM	DATE REQ'D	CUR. PERIOD	BATCH
CORP	DIV	LOC	DEPT	TAIL	PROJECT/REF NO	AMT TO BE CHARGED	
PREPAID CHECK DAT	PREPAID CHECK NO	1099 CD	1099 AMOUNT	A/P APPROVAL			

OK

9 7 0 4 3 8 5 0 3 1 0

97043850312

1144

ELLIOTT J. MILLENSON

10/25 19 94 ~~SE-33~~ NJ
212

PAY TO THE ORDER OF Bastings for Congress \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
Pluckamun Office
Route 202-206 South, Pluckamun, NJ 07978

MEMO contribution *[Signature]*

1145

ELLIOTT J. MILLENSON

10/25 19 94 ~~SE-33~~ NJ
212

PAY TO THE ORDER OF Matt Salmon for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
Pluckamun Office
Route 202-206 South, Pluckamun, NJ 07978

MEMO contribution *[Signature]*

1146

ELLIOTT J. MILLENSON

10/25 19 94 ~~SE-33~~ NJ
212

PAY TO THE ORDER OF Bilbray for Congress \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
Pluckamun Office
Route 202-206 South, Pluckamun, NJ 07978

MEMO contribution *[Signature]*

97043850313

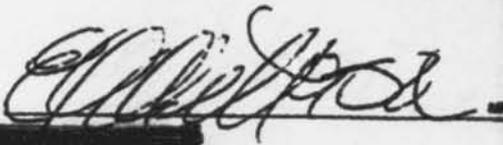
ELLIOTT J. MILLENSON 1147

10/25 19 94 55-529/212 NJ

PAY TO THE ORDER OF Ehrlich for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
 Plumcemin Office
 Route 202-206 South, Plumcemin, NJ 07878

MEMO contribution 

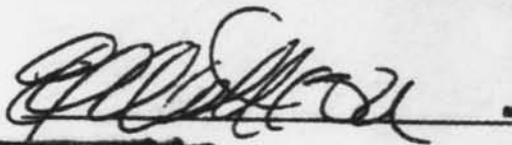
ELLIOTT J. MILLENSON 1148

10/25 19 94 55-529/212 NJ

PAY TO THE ORDER OF Chabot for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
 Plumcemin Office
 Route 202-206 South, Plumcemin, NJ 07878

MEMO contribution 

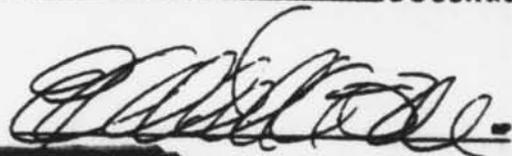
WENDY STRONGIN, M.D.
 ELLIOTT J. MILLENSON 566

10/25 19 94 55-529/212

PAY TO THE ORDER OF Citizens for Stuart Schooler \$ 150.00

One hundred fifty and 00/100 DOLLARS

PEAPACK-GLADSTONE BANK
 PLUMCEMIN OFFICE
 RECHAMSTER, NEW JERSEY 07931

MEMO contribution 

DIRECT ACCESS
DIAGNOSTICS

TO: A. Munley
FROM: J. Barr
DATE: October 26, 1994
SUBJECT: Contributions made by Elliott Millenson

Attached is an expense report for Elliott Millenson for contributions made by him on behalf of Direct Access Diagnostics. I am aware this is an exception to normal processing but am authorizing payment as has occurred previously.

Please process this as soon as possible.

Thank you

Jim

97043850314

ELLIOTT J. MILLENSON
 15 Ashington Club Road
 Far Hills, NJ 07931

November 15, 1995

Mr. Peter Tattle
 Company Group Chairman
 Johnson & Johnson
 One Johnson & Johnson Plaza
 New Brunswick, NJ 08933-7002

Dear Mr. Tattle:

As I have previously brought to the attention of the company, during the period from November 11, 1993 through October 25, 1994, I made contributions from my personal funds to the federal campaign committees for eight individuals who were seeking election to Congress in the general election on November 8, 1994 and one multi-candidate political committee. These contributions were subsequently reimbursed to me by the corporate parent of my employer, Ortho Pharmaceutical Corporation. Those nine contributions, which totalled \$6,500 are itemized as follows:

Kennedy for Senate	11/11/93	\$500.00
New American Century Fund	2/24/94	500.00
Harkin for Senate	4/27/94	250.00
Mezvinsky for Senate	10/ 3/94	250.00
Chabot for Congress	10/25/94	1000.00
Salmon for Congress	10/25/94	1000.00
Hastings for Congress	10/25/94	1000.00
Erlich for Congress	10/25/94	1000.00
Bilbray for Congress	10/25/94	1000.00

At the time that these personal contributions were made and reimbursed, I was under the mistaken belief that such contributions could be reimbursed by my employer. My inaccurate understanding of reimbursement of an employee's personal political contributions came as a result of specific inquiries made by me to other corporate executives who I thought, because of their responsibilities with the company, would be knowledgeable about such contribution questions, including Mr. Jim Barr.

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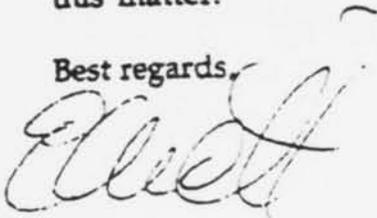
Mr. Peter Tattle
February 15, 1995
Page Two

In fact, I have learned subsequently, through additional independent inquiries, that the affirmative responses of these corporate executives to my initial question about the permissibility of corporate reimbursements of individual contributions were completely at odds with the federal statute which controls this issue. As soon as I learned of the statutory prohibition on such reimbursements, I immediately contacted knowledgeable counsel in Washington, D.C., Mr. Charles Cooper, to review my understanding of the law, and also expressed my concern about the legality of these reimbursements to Mr. Gary V. Parlin. This communication was initiated with Mr. Parlin on January 20, 1995 via electronic mail. It was followed by similar electronic communications with Ms. Kathy Schroeder on January 23, 1995 and with Mr. Parlin and Ms. Schroeder on January 24, 1995.

Subsequent to my discovery that such corporate reimbursements are prohibited by federal law, I retained counsel, on February 15, 1995 to represent me in the resolution of this matter. On the advice of my counsel, Mr. William B. Canfield, a partner in the firm of Holland & Knight, Suite 400, 2100 Pennsylvania Avenue, N.W., Washington, D.C. 20037, I am forwarding to you, as an enclosure with this letter, my personal check in the amount of \$6,500.00 as my reimbursement for the corporate reimbursements mistakenly made by Ortho for the above referenced personal federal political contributions.

Having forwarded my contribution to you, it is my hope and expectation that the company will join me in bringing this issue to the immediate attention of the Federal Election Commission. My counsel and I look forward to working with you and your counsel in speedy resolution of this matter.

Best regards,



Elliott J. Millenson

enclosure

cc: William B. Canfield III, Esq.

97043850316

WENDY STRONGIN, M.D. 14 53025 65000
ELLIOTT J. MILLENSON

591

SS-523/212

February 15, 1995

PAY TO THE ORDER OF

Orthe Pharmaceutical Corp \$6,500.00

Six Thousand Five Hundred and 00/100 DOLLARS



PEAPACK-GLADSTONE BANK
PLUCKEMIN OFFICE
MEDANSTER, NEW JERSEY 07921

[Signature]

MEMO REIMBURSEMENT

97043850317

RECEIVED BY STATE BOARD OF GOVERNORS IN G. C.

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0212-0400-5
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27 - FEB - 95

DO NOT WRITE STAMP OR SIGNATURE IN THIS LINE
RECEIVED BY STATE BOARD OF GOVERNORS IN G. C.

0341442

95 27
STATE BOARD OF GOVERNORS
TREASURER'S OFFICE
100 N. MOUNTAIN AVENUE
MOUNTAIN VIEW, NJ 07046

END USE HERE

Elliott J. Millenson
 15 Ashington Club Road
 Far Hills, NJ 07931

February 22, 1995

Mr. Peter T. Tattle
 Company Group Chairman
 Johnson & Johnson
 One Johnson & Johnson Plaza
 New Brunswick, NJ 08933-7002

Dear Mr. Tattle:

As outlined in my letter to you of February 15, 1995 (misdated as "November 15, 1995"), it has come to my attention that certain expense reimbursements approved by Ortho Pharmaceutical Corporation for a small number of my personal political contributions during 1993-1994 were made under a mistaken understanding or interpretation of relevant federal law.

My earlier letter to you identified nine contributions, totalling \$6,500.00, which had been made from my personal funds to federal candidate committees and subsequently reimbursed by Ortho. My letter reviewed the facts which lead to my misunderstanding of the reimbursable nature of such political contributions and enclosed my personal check to Ortho in the amount of \$6,500.00 to rectify the inappropriate corporate reimbursements made earlier by Ortho.

In examining my records of these inappropriate reimbursements, it also appears that Ortho reimbursed me for personal contributions to a small number of state and local candidate committees as well. According to my records, the following contributions were reimbursed in 1994:

"Garst for Senate (Iowa)"	\$100.00	4/27/94
"New Yorkers for Stan Lundine"	2000.00	5/21/94
"Citizens for Stuart Schooler (Md)"	150.00	10/25/94
"Friends of Ken Wolfe (Fl)"	500.00	1/24/94
"Friends of Ken Wolfe"	500.00	2/22/94

As with the federal contributions that were the subject of my earlier letter to you, at the time that I made these state and local contributions, I was under the impression that such contributions could be reimbursed by Ortho. While some states do allow direct corporate contributions to state and local candidates, it is also

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Mr. Peter T. Tattle
February 22, 1995
Page Two

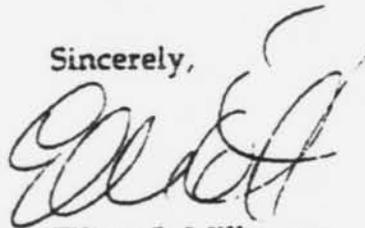
true that most, if not all, states bar one contributor from making a contribution in the name of another contributor. In my view, the reimbursements from Ortho for these personal and state and local contributions might be viewed in this light.

Accordingly, I have decided, on the advice of counsel, to forward to Johnson & Johnson with this letter, my personal check in the amount of \$3,250.00 as repayment for the reimbursed state and local contributions referenced above.

I regret that my misimpression and misunderstanding of the law resulted in these reimbursements by Ortho. As indicated in my letter of February 15, 1995, my misunderstanding and misimpression of the law resulted from good faith inquiries made to colleagues whom I thought were in a position within the company to have an accurate understanding of the legality of such corporate reimbursements.

With best regards,

Sincerely,



Elliott J. Millenson

cc: Mr. William B. Canfield, III

97043850319

FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

In the Matter of

Ortho Pharmaceutical Corporation
Elliott Millenson
James Barr

)
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)
)
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MAR 15 4 29 41 PM '96

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was generated by sua sponte submissions by Ortho Pharmaceutical Corporation ("Ortho") and Elliott Millenson regarding the corporate reimbursement of political contributions. On January 23, 1996, the Commission found reason to believe that Ortho violated 2 U.S.C. §§ 441b(a), 441c, and 441f, that Elliott Millenson and James Barr each violated 2 U.S.C. §§ 441b(a) and 441f, and that Margaret Blosser, Bruce Decker, William Pagels, and Johnson & Johnson, Inc. each violated 2 U.S.C. § 441f. Also on that date, the Commission took no further action regarding Ms. Blosser, Messrs. Decker and Pagels, and Johnson & Johnson, and entered into pre-probable cause conciliation with Ortho and Messrs. Millenson and Barr.¹ In light of new information submitted in response to the Commission's offer of conciliation that raises serious questions regarding the activity including possible liability of additional respondents, thus requiring investigation, this Office now recommends that the Commission terminate conciliation, make further reason to believe findings, and approve subpoenas.

II. ANALYSIS

The information originally provided to this Office in the sua sponte submissions in this matter clearly indicated that Ortho had reimbursed \$10,000 in political contributions by Elliott

¹ On February 16, 1996, the Commission approved conciliation agreements for these respondents.

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Millenson, James Barr, Margaret Blosser, Bruce Decker, and William Pagels. The Commission's section 441b(a) findings against Messrs. Millenson and Barr were based on their apparent status as corporate officers and their consenting to the contributions. The information also showed that Messrs. Millenson and Barr had each raised questions to officials at Ortho and/or its parent corporation Johnson & Johnson regarding the legality of reimbursing contributions. However, the Commission concluded that the evidence did not support pursuing Johnson & Johnson beyond a finding of reason to believe.

On March 7 and April 16, 1996, Elliott Millenson submitted supplemental materials including an affidavit and various documents. Attachment 1, pages 1 and 62. Initially, it is apparent from the information that Mr. Millenson no longer works for DAD and that his departure was neither voluntary nor amicable. Further, Mr. Millenson's submission alleges that final approval of the contribution reimbursements rested with his superior Gary Parlin, company group chairman at Johnson & Johnson and chairman of the board of Direct Access Diagnostics ("DAD"), the division of Ortho of which Mr. Millenson was president. Attachment 1, pages 4-7. In support of his allegation, Mr. Millenson has produced copies of two expense reimbursement forms that contain Gary Parlin's approval signature. Ortho's original sua sponte submission included copies of these forms without Mr. Parlin's signature. Compare Attachment 1, pages 31 and 67 with Attachment 2, pages 1 and 3.² Mr. Millenson also produced a memorandum from Gary Parlin

² The expense reimbursement forms in Ortho's sua sponte submission were part of Attachment 1 to the General Counsel's Report dated December 12, 1995 and three have been reproduced here as Attachment 2. Ortho's sua sponte submission includes additional expense reimbursement forms, one of which contains Gary Parlin's signature. Attachment 2, page 5. Mr. Parlin's review and approval of expense reimbursement forms was also referred to in an affidavit by DAD director of finance Helen Hsu that was included in Ortho's sua sponte submission. General Counsel's Report dated December 12, 1995, Attachment 1, page 19. However, Mr. Parlin was not further identified in Ortho's submission. Prior to this Office's receipt of the new documents from Elliott Millenson, it was unclear what position(s) Mr. Parlin occupied at DAD, Ortho, or Johnson & Johnson.

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dated November 18, 1994 which states that Mr. Parlin is "returning, signed, your expense reports for the 2nd and 3rd quarters of 1994." Attachment 1, page 37. The memorandum directs that in the future Mr. Millenson not make any political contributions without Mr. Parlin's "express okay." Gary Parlin followed up with another memorandum dated January 11, 1995 reiterating his November 18, 1994 request and asking Mr. Millenson to provide a complete list of political contributions by DAD or by any DAD employee if that contribution was subsequently reimbursed by the company. Attachment 1, page 38. Ortho provided neither of these memoranda in its sua sponte submission.³

In addition, Elliott Millenson makes allegations regarding Johnson & Johnson's distribution of its Policy on Business Conduct, which Ortho produced in its sua sponte submission. General Counsel's Report dated December 12, 1995 ("December 1995 Report"), Attachment 1, pages 6-15. Ortho's submission cites to the Policy on Business Conduct's prohibition on impermissible corporate contributions to support the assertion that Johnson & Johnson was aware of the prohibition on corporate contributions in connection with federal elections. December 1995 Report, Attachment 1, page 1. Mr. Millenson states that he was not given a copy of Johnson & Johnson's Policy on Business Conduct and that the annual Certificate of Compliance with the Policy on Business Conduct was not sought from him while he served as DAD president, as required by the Policy on Business Conduct. Attachment 1, pages 5, 21 and 30. The Certificate of Compliance form is addressed to Johnson & Johnson officials in various positions including

³ The January 11, 1995 memorandum was written around the time Elliott Millenson alleges he was attempting to obtain all the documentation of the corporate reimbursements but was thwarted by Gary Parlin and possibly others at Johnson & Johnson. Attachment 1, pages 9, 12-17, 58-59. Mr. Millenson states that he was fired from his position at DAD shortly thereafter. Attachment 1, page 15.

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"Domestic Presidents," a group that may have included Mr. Millenson, then-president of DAD.

Attachment 1, page 21.

In sum, although the circumstances surrounding Mr. Millenson's departure raise questions of credibility and motivation on both sides, it appears that Gary Parlin, a Johnson & Johnson official, apparently exercised final approval of at least several of the reimbursements at issue. The new documents also appear to indicate that Ortho's sua sponte submission was not complete and that that this Office does not possess all the relevant documents or information pertaining to the violations in this matter.

Also on March 29, 1996, James Barr submitted an affidavit and arguments that the Commission should not pursue him as an officer of Ortho, and requested that the Commission take no further action.⁴ See 2 U.S.C. § 441b(a). Attachment 1, page 87. Mr. Barr's submission does not focus on the section 441f violation, although it does acknowledge that he approved employee expense reports and asserts that he did not know that corporate reimbursement of contributions was impermissible. See 11 C.F.R. § 110.4(b)(1)(ii) and (iii).

⁴ Mr. Barr and Ortho are represented by the same counsel.

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In light of the significant new information provided to this Office by Elliott Millenson, who has requested to meet with this Office, we believe that the Commission should not conciliate this matter at this time but rather suspend further conciliation pending the outcome of the proposed investigation. Although the amount of reimbursed contributions at issue remains modest, the inconsistencies between respondents' accounts of events, in part attributable to the lack of complete information in Ortho's sua sponte submission, need to be clarified for the public record. Serious questions regarding the level of corporate involvement have arisen that justify expeditiously investigating this matter in order to determine the responsibility for the reimbursements.⁵ Indeed, if Elliott Millenson's allegations are true, serious questions are raised regarding Johnson & Johnson's involvement in the activity and the sincerity of Ortho's sua sponte submission.⁶

Therefore, this Office recommends that the Commission reject Ortho's counteroffer at this time, reject James Barr's request for no further action at this time, and suspend further conciliation prior to a finding of probable cause to believe with Ortho Pharmaceutical Corporation, Elliott Millenson, and James Barr. This Office also makes additional reason to believe findings in light of possible liability on the part of other parties and in order to fully investigate this matter. This Office therefore recommends that the Commission find reason to believe that Gary Parlin, as a Johnson & Johnson official who apparently approved the contribution reimbursements, violated 2 U.S.C. §§ 441b(a) and 441f. In addition, in light of the corporation's possible role, this Office

⁵ The investigation may also shed light on James Barr's assertion that he did not serve as a corporate officer for purposes of 2 U.S.C. § 441b(a).

⁶ On January 10, 1995, Ortho announced that it would plead guilty to destroying documents related to a Food and Drug Administration and Department of Justice investigation and pay a \$7.5 million fine. Gary Parlin was President of Ortho at the time of the document destruction.

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recommends that the Commission reopen the file regarding Johnson & Johnson, Inc. and find reason to believe that Johnson & Johnson violated 2 U.S.C. § 441f.⁷

III. INVESTIGATION

In order to ensure that this Office possesses all the relevant documents, we recommend that the Commission approve the attached document subpoenas to Ortho Pharmaceutical Corporation, Johnson & Johnson, Elliott Millenson, James Barr, and Gary Parlin. In addition, in light of the credibility issues and the possibility that this Office may need to put the individual respondents under oath in order to flesh out the activity, this Office recommends that the Commission approve deposition subpoenas to Elliott Millenson, James Barr, Gary Parlin, Margaret Blosser, Bruce Decker, and William Pagels.⁸

IV. RECOMMENDATIONS

1. Reject the counteroffer from Ortho Pharmaceutical Corporation at this time.
2. Reject James Barr's request that the Commission take no further action at this time.
3. Suspend conciliation prior to a finding of probable cause to believe with Ortho Pharmaceutical Corporation, Elliott Millenson, and James Barr.
4. Find reason to believe that Gary Parlin violated 2 U.S.C. §§ 441b(a) and 441f.
5. Reopen the file regarding Johnson & Johnson, Inc. and find reason to believe that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f.
6. Approve the attached Factual and Legal Analyses.
7. Approve the attached document subpoenas and sample deposition subpoena.

⁷ This Office does not recommend a finding of a section 441b violation in light of the fact that funds from Ortho, not Johnson & Johnson, were used to reimburse contributors. See the December 1995 Report pages 5 and 9-11.

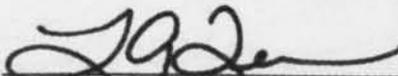
⁸ The Commission previously took no further action and closed the file regarding Ms. Blosser and Messrs. Decker and Pagels. This Office would therefore treat these individuals as non-respondent witnesses.

97043850326

8. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

5/15/96
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments:

- 1. Responses
- 2. Sample Expense Reimbursement Forms from Ortho Sua Sponte Submission
- 3. Factual and Legal Analyses
- 4. Document Subpoenas
- 5. Sample Deposition Subpoena

Staff assigned: Mark Allen

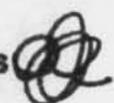
97043850327



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS 
COMMISSION SECRETARY

DATE: MAY 21, 1996

SUBJECT: MUR 4297 - GENERAL COUNSEL'S REPORT
DATED MAY 15, 1996.

The above-captioned document was circulated to the Commission
on: Thursday, May 16, 1996 at 11:00

Objection(s) have been received from the Commissioner(s) as
indicated by the name(s) checked below:

- Commissioner Aikens _____
- Commissioner Elliott xxx
- Commissioner McDonald _____
- Commissioner McGarry xxx
- Commissioner Potter _____
- Commissioner Thomas _____

This matter will be placed on the meeting agenda for:
First Meeting in June, 1996.

Please notify us who will represent your Division before the Commission
on this matter. Thank You!

97043850328

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ortho Pharmaceutical Corporation;) MUR 4297
Elliott Millenson;)
James Barr)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on June 11, 1996, do hereby certify that the Commission decided by a vote of 4-0 to take the following actions in MUR 4297:

1. Reject the counteroffer from Ortho Pharmaceutical Corporation at this time.
2. Reject James Barr's request that the Commission take no further action at this time.
3. Suspend conciliation prior to a finding of probable cause to believe with Ortho Pharmaceutical Corporation, Elliott Millenson, and James Barr.
4. Find reason to believe that Gary Parlin violated 2 U.S.C. §§ 441b(a) and 441f.

(continued)

97043850329

5. Reopen the file regarding Johnson & Johnson, Inc. and find reason to believe that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f.
6. Approve the Factual and Legal Analyses recommended in the General Counsel's May 15, 1996 report.
7. Approve the document subpoenas, and the sample deposition subpoenas with respect to Elliott Millenson, James Barr, and Gary Parlin, as recommended in the General Counsel's May 15, 1996 report.
8. Approve the appropriate letters as recommended in the General Counsel's May 15, 1996 report.

Commissioners Aikens, Elliott, McDonald, and Thomas voted affirmatively for the decision; Commissioner McGarry was not present.

Attest:

6-13-96
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

97043850330



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 18, 1996

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
James Barr

Dear Ms. Utrecht:

On February 26, 1996, you were notified that the Federal Election Commission had found reason to believe your client Ortho Pharmaceutical Corporation ("Ortho") had violated 2 U.S.C. §§ 441b(a), 441c, and 441f, and that your client Johnson & Johnson, Inc. had violated 2 U.S.C. § 441f, provisions of the Federal Election Campaign Act of 1971, as amended. You were also notified that the Commission had determined to take no further action regarding Johnson & Johnson and closed its file as it pertains to this respondent. Finally, the Commission also offered to enter into conciliation with Ortho in settlement of this matter prior to a finding of probable cause to believe, and sent you a proposed agreement.

Also on February 26, 1996, your client James Barr was notified that the Commission had found reason to believe he violated 2 U.S.C. §§ 441b(a) and 441c. The Commission offered to enter into conciliation with Mr. Barr in settlement of this matter and sent him a proposed agreement.

On March 29, 1996, you submitted a conciliation counterproposal regarding Ortho and a request that the Commission take no further action regarding James Barr. In light of additional information obtained by the Office of the General Counsel and other considerations, on June 11, 1996 the Commission determined to reject the counteroffer from Ortho at this time, suspend conciliation with Ortho and James Barr, deny Mr. Barr's no further action request at this time, reopen the file regarding Johnson & Johnson, and find reason to believe that Johnson & Johnson violated 2 U.S.C. § 441f. The Factual and Legal Analysis, which formed the basis for the Commission's finding regarding Johnson & Johnson, is attached for your information.

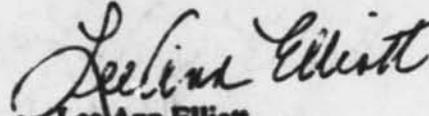
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Lyn Utrecht, Esq.
Page 2

Also on June 11, 1996, the Commission determined to investigate this matter. Accordingly, the Commission has issued the attached subpoenas and orders requiring Ortho, James Barr, and Johnson & Johnson to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code. It is required that you submit all answers to questions under oath within 30 days of your receipt of these subpoenas and orders.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,


Lee Ann Elliott
Chairman

Enclosures
Factual and Legal Analysis
Subpoenas and Orders

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR: 4297

RESPONDENT: Johnson & Johnson, Inc.

I. GENERATION OF MATTER

This matter was generated based on information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

The Federal Election Campaign Act of 1971, as amended, ("the Act") prohibits corporations from making contributions in connection with a federal election. 2 U.S.C. § 441b(a). Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. This prohibition extends to persons knowingly assisting in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii).

B. Factual and Legal Analysis

1. Contributions and Reimbursements

Johnson & Johnson, Inc. is a New Jersey corporation that wholly-owns Ortho Pharmaceutical Corporation ("Ortho"). Direct Access Diagnostics ("DAD") is a division of Ortho.¹ Elliott Millenson and James Barr were DAD President and Finance Director,

¹ It appears that DAD was formerly known as Diversified Diagnostics, Inc. and merged into Ortho in 1994.

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respectively. Certain political contributions made by Elliott Millenson, James Barr, and other employees and a consultant of DAD from their personal funds were reimbursed through business expense reimbursements. The contributions total \$10,000 and were all made during the 1994 election cycle:

Contributor	Recipient	Amount	Date
Elliott Millenson	Comm. t/e Sen. Kennedy	\$ 500	11/11/93
	New American Century Fund	\$ 500	2/24/94
	Citizens for Harkin	\$ 250	4/27/94
	Friends of Marjorie M. Mezvinsky	\$ 250	10/03/94
	Comm. t/e Steven Chabot	\$1,000	10/25/94
	Salmon for Congress	\$1,000	10/25/94
	Bilbray for Congress	\$1,000	10/25/94
	Hastings '94	\$1,000	10/25/94
	Ehrlich for Congress	\$1,000	10/25/94
James Barr/D.A. Jones-Barr	Comm. t/e Sen. Kennedy	\$ 500	11/12/93 ²
Margaret Blosser	Comm. t/e Sen. Kennedy	\$ 500	11/12/93
Bruce Decker	California Victory '94	\$2,000	10/13/94 ³
William Pagels	Comm. t/e Sen. Kennedy	\$ 500	11/12/93

Margaret Blosser and William Pagels were DAD employees; Bruce Decker was a consultant to DAD and served as President of Health Policy & Research Foundation, a non-profit corporation which received significant funds from DAD. The contributors apparently refunded the reimbursements by checks to Ortho dated between February 15, 1995 and March 6, 1995.

² James Barr and Debra Anne Jones-Barr co-signed the contribution check. The Kennedy Committee allocated the \$500 contribution between Mr. Barr and Ms. Jones-Barr.

³ The California Victory '94 Committee, a multi-candidate committee, reported receiving three contributions on this date from Mr. Decker totaling \$2,000.

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In a memorandum dated November 22, 1993, to Mr. F. Campbell, James Barr stated that

DAD

has made a \$2,000 contribution to the re-election of Senator Kennedy in 1994. The contribution was made up of 4 \$500 checks for seats at a dinner made individually by 4 employees of Direct Access. We are processing these checks through expense reports. We realize this is not normal J&J procedure and have contacted Corporate's Government Affairs Office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report.

Please process these as soon as possible; if you have any questions give me a call at 253-6407

This memorandum predates the reimbursements.

2. Additional information

Prior to making the first of the federal contributions, Mr. Millenson apparently asked James Barr, Director of Finance at DAD, about the legality of seeking reimbursement from the company because he was unclear about the ability of a company to reimburse contributions. Mr. Barr reported back to Mr. Millenson that while the corporate parent's own internal policy was not to reimburse the political contributions of employees, such reimbursements were not illegal. Mr. Millenson apparently understood, based on his knowledge of Johnson & Johnson's decentralized management, that each division, including Ortho, had the ability to unilaterally establish policy guidance in areas such as this. Mr. Millenson, however, continued to be sufficiently concerned about such a potential reimbursement, that he asked the Director of Finance to directly contact a senior manager in the Government Relations office of Johnson & Johnson, in Washington, D.C., to ask whether an employee could make contributions directly to a candidate committee, rather than having such contribution made by the Government Relations office, presumably through a 'separate segregated fund' or political action committee maintained by the corporation.

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Mr. Millenson received the advice from that office that he was free to contribute directly to the federal committees he chose to support. Apparently in reliance upon the advice received from both his Director of Finance and from the parent company's Washington government affairs office, Mr. Millenson made the contributions and thereafter sought, and received, a reimbursement of these contributions, as itemized business expenses, from Ortho.

3. Analysis

It is clear that Ortho made contributions in the names of Elliott Millenson, James Barr, Margaret Blosser, Bruce Decker, and William Pagels. Regarding Ortho's parent corporation, Johnson & Johnson, the available information casts light on its role in the events in this matter. James Barr's November 22, 1993 memorandum states that Johnson & Johnson was informed of the proposed \$2,000 reimbursement of contributions to the Kennedy Committee. Elliott Millenson sought guidance from Johnson & Johnson and apparently received advice from the corporation that the reimbursements were legal. In addition, it appears that Johnson & Johnson official Gary Parlin had final approval of the reimbursements. Because it appears that the corporation may have approved the reimbursements of the contributions, there is reason to believe that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the name of another. See 11 C.F.R. § 110.4(b)(1)(iii).

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 4297

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Ortho Pharmaceutical Corporation
c/o
Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena.

97043850337

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set
her hand in Washington, D.C., on this *11th* day of *June*, 1996.

For the Commission,

Lee Ann Elliott
Lee Ann Elliott
Chairman

ATTEST:

for Delores Hardy
for Marjorie W. Emmons
Secretary to the Commission

97043850338

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1993 to the present.

The following request for production of documents is continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the purpose of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

27043850340

DOCUMENT REQUESTS AND QUESTIONS

1. Produce all documents in your possession that refer, relate, or in any way pertain to the solicitation, making, and reimbursement of contributions made by the contributors listed below and by any other employees or consultants of Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.:

James Barr
Margaret Blosser
Bruce Decker
Elliott Millenson
William Pagels

including but not limited to checks, letters, envelopes, memos, internal correspondence, notes of telephone conversations, and records of oral and/or written communications. Also produce all documents in your possession that refer, relate, or in any way pertain to the individual contributors' repayment(s) of the reimbursements to Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.

2. Produce all other documents in your possession that refer, relate, or in any way pertain to the making of political contributions, the reimbursement of political contributions, or the individual contributors' repayment of the reimbursements, including but not limited to expense forms, documents regarding approval of expenses, letters, envelopes, memos, internal correspondence, notes of telephone conversations, and records of oral and/or written communications.

3. Identify each document produced in response to questions 1 and 2.

4. For each document produced in response to questions 1 and 2, identify each person whose name or initials appears in type or in handwriting, including full name, position at Direct Access Diagnostics, Ortho Pharmaceutical Corporation, Johnson & Johnson, Inc., or any other known employer. For each person identified, provide a position description including duties at the time of the creation of the document.

27043850341

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 4297

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Johnson & Johnson, Inc.
c/o
Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

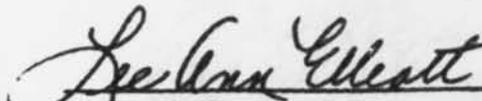
Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

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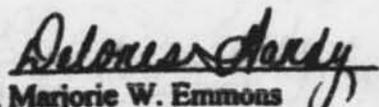
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WHEREFORE, the Chairman of the Federal Election Commission has hereunto set
her hand in Washington, D.C., on this *17th* day of *June*, 1996.

For the Commission,


Lee Ann Elliott
Chairman

ATTEST:

for 
Marjorie W. Emmons
Secretary to the Commission

97043850343

DOCUMENT REQUESTS AND QUESTIONS

1. Produce all documents in your possession that refer, relate, or in any way pertain to the solicitation, making, and reimbursement of contributions made by the contributors listed below and by any other employees or consultants of Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.:

James Barr
Margaret Blosser
Bruce Decker
Elliott Millenson
William Pagels

including but not limited to checks, letters, envelopes, memos, internal correspondence, notes of telephone conversations, and records of oral and/or written communications. Also produce all documents in your possession that refer, relate, or in any way pertain to the individual contributors' repayment(s) of the reimbursements to Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.

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5. Provide documents such as organizational charts that disclose, describe, display, or explain the organizational structure of Johnson & Johnson, Inc., its subsidiary Ortho Pharmaceutical Corporation ("Ortho"), and the Direct Access Diagnostics ("DAD") division of Ortho including the officers of all three entities, the board chairman of DAD, and Johnson & Johnson company group chairman for Ortho and DAD, for the period January 1, 1993 to May 1, 1995.

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INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

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97043850345

DEFINITIONS

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"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

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"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

97043850346

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 4297

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Mr. James Barr
c/o
Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

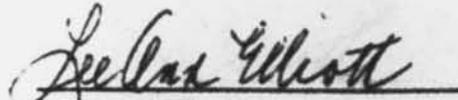
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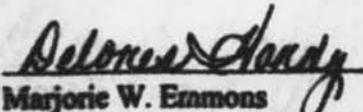
97043850347

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set
her hand in Washington, D.C., on this *17th* day of *June*, 1996.

For the Commission,


Lee Ann Elliott
Chairman

ATTEST:

for 
Marjorie W. Emmons
Secretary to the Commission

97043850348

INSTRUCTIONS

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The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

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97043850349

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"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the purpose of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

97043850350

DOCUMENT REQUESTS AND QUESTIONS

1. Produce all documents in your possession that refer, relate, or in any way pertain to the solicitation, making, and reimbursement of contributions made by you and the other contributors listed below and by any other employees or consultants of Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.:

Margaret Blosser
Bruce Decker
Elliott Millenson
William Pagels

including but not limited to checks, letters, envelopes, memos, internal correspondence, notes of telephone conversations, and records of oral and/or written communications. Also produce all documents in your possession that refer, relate, or in any way pertain to the individual contributors' repayment(s) of the reimbursements to Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.

2. Produce all documents in your possession that refer, relate, or in any way pertain to communications with Direct Access Diagnostics, Ortho Pharmaceutical Corporation, and Johnson & Johnson, Inc. regarding the making of political contributions, the reimbursement of political contributions, or the individual contributors' repayment of the reimbursements, including but not limited to expense forms, documents regarding approval of expenses, letters, envelopes, memos, internal correspondence, notes of telephone conversations, and records of oral and/or written communications.

3. Identify each document produced in response to questions 1 and 2.

4. For each document produced in response to questions 1 and 2, identify each person, including yourself, whose name or initials appears in type or in handwriting, including full name, position at Direct Access Diagnostics, Ortho Pharmaceutical Corporation, Johnson & Johnson, Inc., or any other known employer. For each person identified, provide a position description including duties at the time of the creation of the document.

97043850351



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 18, 1996

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Gary Parlin
1530 Mountain Top Road
Bridgewater, NJ 08807

RE: MUR 4297

Dear Mr. Parlin:

On June 11, 1996, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Order to Submit Written Answers and Subpoena to Produce Documents must be submitted within 30 days of your receipt of this order and subpoena. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications or other communications from the Commission.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter.

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Mr. Gary Parlin
Page 2

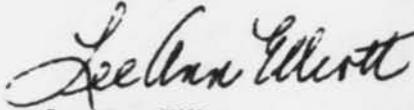
Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,


Lee Ann Elliott
Chairman

Enclosures
Order and Subpoena
Factual and Legal Analysis
Procedures
Designation of Counsel Form

97043850353

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 4297

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Mr. Gary Parlin
1530 Mountain Top Road
Bridgewater, NJ 08807

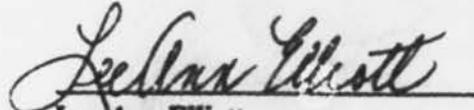
Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena.

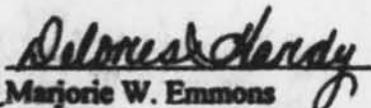
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WHEREFORE, the Chairman of the Federal Election Commission has hereunto set
her hand in Washington, D.C., on this *17th* day of *June*, 1996.

For the Commission,


Lee Ann Elliott
Chairman

ATTEST:

for 
for Marjorie W. Emmons
Secretary to the Commission

97043850355

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1993 to the present.

The following request for production of documents is continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

97043850356

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the purpose of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

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DOCUMENT REQUESTS AND QUESTIONS

1. Produce all documents in your possession that refer, relate, or in any way pertain to the solicitation, making, and reimbursement of contributions made by the contributors listed below and by any other employees or consultants of Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.:

James Burr
Margaret Blosser
Bruce Decker
Elliott Millenson
William Pagels

including but not limited to checks, letters, envelopes, memos, internal correspondence, notes of telephone conversations, and records of oral and/or written communications. Also produce all documents in your possession that refer, relate, or in any way pertain to the individual contributors' repayment(s) of the reimbursements to Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.

2. Produce all other documents in your possession that refer, relate, or in any way pertain to the making of political contributions, the reimbursement of political contributions, or the individual contributors' repayment of the reimbursements, including but not limited to expense forms, documents regarding approval of expenses, letters, envelopes, memos, internal correspondence, notes of telephone conversations, and records of oral and/or written communications.

3. Identify each document produced in response to questions 1 and 2.

4. For each document produced in response to questions 1 and 2, identify each person whose name or initials appears in type or in handwriting, including full name, position at Direct Access Diagnostics, Ortho Pharmaceutical Corporation, Johnson & Johnson, Inc., or any other known employer. For each person identified, provide a position description including duties at the time of the creation of the document.

97043850358

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Gary Parlin

MUR: 4297

I. GENERATION OF MATTER

This matter was generated by information ascertained by the Federal Election Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions in connection with a federal election. 2 U.S.C. § 441b(a). This provision also forbids corporate officers from consenting to a corporation's contribution. Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. This prohibition extends to persons knowingly assisting in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii).

B. Factual and Legal Analysis

At the time of the events in this matter, Gary Parlin was company group chairman at Johnson & Johnson, Inc. and chairman of Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Ortho") which is in turn a wholly-owned subsidiary of Johnson & Johnson. Elliott Millenson was president of DAD and reported to Gary Parlin at Johnson & Johnson. Certain political contributions made by Elliott Millenson from his personal funds were reimbursed by Ortho through business expense reimbursements:

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<u>Recipient Committee</u>	<u>Amount</u>	<u>Date</u>
Committee to Elect Senator Kennedy	\$500	11/11/93
New American Century Fund	\$500	2/24/94
Citizens for Harkin	\$250	4/27/94
Friends of Marjorie M. Mezvinsky	\$250	10/03/94
Committee to Elect Steven Chabot	\$1,000	10/25/94
Salmon for Congress	\$1,000	10/25/94
Bilbray for Congress	\$1,000	10/25/94
Hastings '94	\$1,000	10/25/94
Ehrlich for Congress	\$1,000	10/25/94

Mr. Millenson's reimbursed contributions total \$6,500 and were all made during the 1994 election cycle. It appears that Gary Parlin had final approval of the reimbursements and signed Mr. Millenson's expense reimbursement forms.

Ortho made contributions in the name of Elliott Millenson. Gary Parlin was a Johnson & Johnson official who apparently approved the reimbursements. Therefore, there is reason to believe that Gary Parlin violated 2 U.S.C. §§ 441b(a) and 441f. See 11 C.F.R. § 110.4(b)(1)(iii).

97043850360



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 18, 1996

William B. Canfield, Esq.
Holland & Knight
2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037

RE: MUR 4297
Elliott Millenson

Dear Mr. Canfield:

On February 26, 1996, you were notified that the Federal Election Commission had found reason to believe your client Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. The Commission also offered to enter into conciliation in settlement of this matter prior to a finding of probable cause to believe, and sent you a proposed agreement.

In light of information you subsequently provided to the Office of the General Counsel, however, on June 11, 1996 the Commission determined to suspend conciliation, and instead investigate this matter. Accordingly, the Commission has issued the attached subpoena and order requiring Mr. Millenson to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code. It is required that you submit all answers to questions under oath within 30 days of your receipt of this subpoena and order.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen
Attorney

Enclosure
Subpoena and Order

97043850361

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 4297

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Mr. Elliott Millenson
c/o
William B. Canfield, Esq.
Holland & Knight
2100 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20037

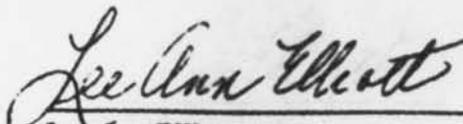
Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena.

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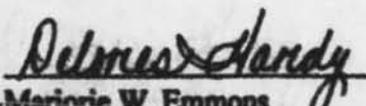
WHEREFORE, the Chairman of the Federal Election Commission has hereunto set
her hand in Washington, D.C., on this *17th* day of *June*, 1996.

For the Commission,



Lee Ann Elliott
Chairman

ATTEST:

for 
Marjorie W. Emmons
Secretary to the Commission

97043850363

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1993 to the present.

The following request for production of documents is continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

97043850364

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the purpose of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

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DOCUMENT REQUESTS AND QUESTIONS

1. Produce all documents in your possession that refer, relate, or in any way pertain to the solicitation, making, and reimbursement of contributions made by you and the other contributors listed below and by any other employees or consultants of Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.:

James Barr
Margaret Blosser
Bruce Decker
William Pagels

including but not limited to checks, letters, envelopes, memos, internal correspondence, notes of telephone conversations, and records of oral and/or written communications. Also produce all documents in your possession that refer, relate, or in any way pertain to the individual contributors' repayment(s) of the reimbursements to Direct Access Diagnostics, Ortho Pharmaceutical Corporation, or Johnson & Johnson, Inc.

2. Produce all documents in your possession that refer, relate, or in any way pertain to communications with Direct Access Diagnostics, Ortho Pharmaceutical Corporation, and Johnson & Johnson, Inc. regarding the making of political contributions, the reimbursement of political contributions, or the individual contributors' repayment of the reimbursements, including but not limited to expense forms, documents regarding approval of expenses, letters, envelopes, memos, internal correspondence, notes of telephone conversations, and records of oral and/or written communications.

3. Identify each document produced in response to questions 1 and 2.

4. For each document produced in response to questions 1 and 2, identify each person, including yourself, whose name or initials appears in type or in handwriting, including full name, position at Direct Access Diagnostics, Ortho Pharmaceutical Corporation, Johnson & Johnson, Inc., or any other known employer. For each person identified, provide a position description including duties at the time of the creation of the document.

97043850366

LAW OFFICES
WILLIAMS & CONNOLLY

725 TWELFTH STREET, N.W.

WASHINGTON, D. C. 20005

(202) 434-5000

FAX (202) 434-5029

EDWARD BENNETT WILLIAMS (1920-1988)
PAUL R. CONNOLLY (1927-1978)

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 26 1 01 PM '96

J. ALAN GALBRAITH
(202) 434-5022

June 24, 1996

Mark Allen, Esq.
Federal Election Commission
Washington, D.C. 20463

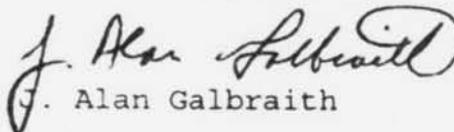
Re: MUR4297
Elliott Millenson

Dear Mr. Allen:

The undersigned, along with Angela S. Kim of this office, will be taking over the representation of Mr. Millenson in connection with your FEC investigation. Ms. Kim (202-434-5912) will make sure that you receive a full and timely response to your subpoena. We feel we can make a compelling case that the initial reaction of Johnson & Johnson ("J&J") (at a very high level), aided and abetted by its Legal Department, was to cover up the illegal political contributions. As a result of recent developments, we not only have additional documents that support our position, but also significant testimony from high J&J executives that make it clear that J&J Company Group Chairman Gary Parlin (who authorized most political contributions) and possibly others should be clear targets of your investigation.

We look forward to a vigorous FEC investigation.

Very truly yours,


J. Alan Galbraith

cc: William B. Canfield, III, Esq.

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OLDAKER, RYAN, PHILLIPS & UTRECHT

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.

SUITE 1100

WASHINGTON, D.C. 20006

(202) 728-1010

FACSIMILE (202) 728-4044

June 26, 1996

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUN 27 12 43 PM '96

Mark Allen, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
James Barr
Gary Parlin

Dear Mr. Allen:

On behalf of the Respondents in the above-referenced matter, we are requesting an extension of time to respond to the Commission's Orders to Submit Written Answers and Subpoenas to Produce Documents.

Because both counsel and Respondents have a number of upcoming deadlines in other matters, as well as already set vacation plans, we are requesting an extension of thirty days to sufficiently respond to this matter. If this extension is granted, our response would be due on August 19, 1996.

We would greatly appreciate your assistance in this matter.

Sincerely,



Lyn Utrecht

27043850368

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4297

NAME OF COUNSEL: Carolyn Utrecht

ADDRESS: Oldaker, Ryan, Philips & Utrecht
818 Connecticut Ave., N.W. Suite 1100
Washington, D.C. 20006

TELEPHONE: (202) 728-1010

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

June 22, 1996
Date

Gary V. Parlin
Signature

RESPONDENT'S NAME: GARY V. PARLIN

ADDRESS: 1530 Mountain Top Road
Bridgewater, NJ 08807

HOME PHONE: 908-725-5123

BUSINESS PHONE: 908-524-6332

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 26, 1996

BY FACSIMILE AND FIRST CLASS MAIL

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
James Barr
Gary Parlin

Dear Ms. Utrecht:

This is in response to your letter we received on June 26, 1996 requesting an extension of 30 days to respond to the Commission's Orders to Submit Written Answers and Subpoenas to Produce Documents. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due on August 19, 1996.

Should you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen
Attorney

270438503/0

OLDAKER, RYAN, PHILLIPS & UTRECHT

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.
SUITE 1100
WASHINGTON, D.C. 20006

(202) 728-1010

FACSIMILE (202) 728-4044

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FEDERAL ELECTION
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441 ROOM

AUG 19 5 22 PM '96

August 19, 1996

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

BULK FILE

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson
Gary Parlin
James Barr

Dear Mr. Noble:

This letter is submitted in response to the above-referenced matter on behalf of Ortho Pharmaceutical Corporation ("Ortho"), Johnson & Johnson ("J&J"), Gary Parlin, and James Barr. The Federal Election Commission ("FEC" or "Commission") has found reason to believe that the Respondents violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("FECA" or "the Act"). For the reasons set forth below, we request that the Commission take no further action against the Respondents in this matter.

1. The Commission's finding of reason to believe against Gary Parlin is factually unsupported and legally incorrect.

A. Gary Parlin is not an officer of J&J and thus, not liable under § 441b.

The Commission's Staff Analysis correctly identifies Gary Parlin as a Company Group Chairman of J&J and Chairman of DAD. Parlin is an employee of J&J, where he is currently one of fourteen Company Group Chairmen. Company Group Chairman is a senior level management position responsible for the operational activities of one or more operating companies. The Company President reports to the Company Group Chairman, who works out of J&J Corporate Headquarters. As Company Group Chairman, one of Parlin's duties was to serve as Chairman of Direct Access Diagnostics ("DAD"), a division of Ortho which is a wholly-owned subsidiary of J&J.

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The Staff Analysis mistakenly assumes Parlin is a corporate officer of J&J under § 441b of the Act. At no time did Parlin serve as an officer or director of J&J. Parlin was President of Ortho from May 1, 1983 to December 29, 1986. Parlin, was not, however, President of Ortho during the period in which employees were reimbursed by the Company for political contributions. DAD is a division of Ortho, and therefore had no corporate officers within the meaning of 1 U.S.C. § 1. Please find the attached affidavit of Donna Malin, confirming the fact that during Parlin's tenure as Chairman of DAD, he was not an officer of Ortho or J&J within the meaning of the FECA. Thus, the Staff Analysis is factually incorrect in treating him as a corporate officer and the Commission should take no further action with respect to him.

B. Gary Parlin had no knowledge that it was illegal for a corporation to reimburse employees for political contributions.

Parlin did not know it was illegal for a corporation to reimburse employees for political contributions. After Elliott Millenson had already made the contributions and submitted an expense report, James Barr, the Finance Director at DAD was responsible for reviewing and approving these expenses. On a quarterly basis, Barr would forward Millenson's expense reports to Parlin, Millenson's Supervisor, for approval. Parlin was responsible for reviewing and approving the quarterly expense reports of the President of DAD, Millenson, within a certain dollar limit. However, by the time Parlin reviewed Millenson's expense reports, Millenson had already been reimbursed for these expenses.

In two instances, Parlin reviewed and approved two expense reports containing two contributions made by Millenson to Federal candidates. First, Parlin reviewed and inadvertently approved Millenson's November 1993 expense report, containing a reimbursement for a \$500 contribution to the Committee to Re-elect Ted Kennedy. Second, when Parlin reviewed the expense reports for the Second Quarter 1994 he found a political contribution in the amount of \$250 to Harkin for Senate. Parlin immediately contacted Barr to verify whether or not it was legal for DAD to reimburse Millenson for this expense. Parlin was advised by Barr that, although not routinely done, he had been advised that it was legal for such expenses to be reimbursed. Based upon this advice, Parlin believed that corporate reimbursements of employee political contributions were permissible.

Nevertheless, Parlin was uncomfortable with the amount of employee contributions being reimbursed and decided that the company would no longer approve such employee reimbursements. See affidavit of Gary Parlin. When Parlin received Millenson's expense reports for the Third Quarter 1994, and determined that no more political contributions had been made, Parlin signed both the second and third quarter reports. Upon signing these expense reports, Parlin issued a memorandum to Millenson directing him not to make any more political

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contributions without his express approval. See Document 13. The memorandum also stated that any other contributions (such as charitable contributions) over \$1,000 should also be pre-approved.

C. The Commission's Staff Analysis incorrectly asserts that Gary Parlin approved eight political contributions and one non-political contribution.

Parlin did not approve eight political contributions and one non-political contribution. Parlin only reviewed and approved the contributions for Committee to Elect Senator Kennedy and Citizens for Harkin. The six political contributions made in October of 1994 were never forwarded to Parlin for approval and thus, could not be signed and approved by him. When Barr vacated his position the end of October 1994, the political contributions made by Millenson in October were signed only by Barr, and then placed in a folder to be forwarded to Parlin for approval. In October, Millenson made contributions to the following campaigns: Friends of Marjorie M. Mezvinsky, Committee to Elect Steven Chabot, Salmon for Congress, Bilbray for Congress, Hastings '94, and Ehrlich for Congress. However, when Barr vacated his position at the end of October 1994, the folder was never forwarded to Parlin for approval. This was simply due to inadvertence. Thus, these six political contributions totalling \$5150 for which Millenson was reimbursed in October 1994 were not signed and approved by Parlin.

The above paragraphs accurately relay the full extent of the circumstances surrounding this matter. Parlin had no personal knowledge of federal campaign laws or any intention to violate such laws. Millenson even states in his affidavit that he believed that Parlin did not have knowledge that corporate reimbursement of political contributions was illegal. Millenson Aff. par. 9, 13. Parlin approved the employee expense reports in good faith based upon his belief that corporate reimbursement of employee political contributions was appropriate. Although in hindsight this may have been an incorrect decision, Parlin did not know this at the time, and he further believed that he had taken reasonable, prudent steps to determine that the reimbursements were permissible.

2. The Factual and Legal Analysis which formed the basis for the Commission's finding is incorrect in its assertions that Elliott Millenson asked James Barr to contact the Government Relations Office of J&J regarding reimbursement of employee political contributions.

The Commission's Staff Analysis incorrectly asserts that Millenson asked Barr to contact the Government Relations Office of J&J. As stated in our prior response, Barr was never requested by Millenson to contact the J&J Government Relations Office and did not speak to anyone in that office regarding this matter. Instead, Millenson agreed to speak with someone at J&J's Government Relations Office and Barr agreed to speak with someone at Ortho. Each

27043850373

person apparently independently received identical advice--that corporate reimbursements of employee political contributions, while not Company policy, were not illegal. However, it was Millenson himself who received advice directly from J&J's Government Relations Office. Barr also believed that he had determined that the reimbursements were permissible and approved the employee expense reports in good faith.

3. The apparent implication by Elliott Millenson that J&J attempted to cover up its knowledge of employee contribution reimbursements is flatly incorrect.

At the time Millenson made his submission to the FEC, he was in an employment dispute with J&J. During the pendency of this dispute, he apparently alleged in his letter to the Commission that J&J attempted to cover up its involvement in the reimbursement of approved employee political contributions. Millenson Aff. par. 28. This is factually incorrect. In fact, it was DAD and Ortho who initially contacted the Commission about these inadvertent violations. The Company retained outside counsel to review the matter, requested reimbursement from the employees, and reviewed and issued updated guidance to all employees regarding the law. J&J, as well as Ortho, have made every effort to correct any unintentional wrongdoing and comply with the Commission's regulations. Millenson attempts to take credit for bringing this matter to the attention of the Commission. However, he did not even submit a letter to the Commission until April 24, 1995--one month after J&J brought the situation to the attention of the Commission.

Millenson alleges in his affidavit that the company, and Parlin, attempted to coverup the number of political contributions approved by Parlin by altering documents that he had previously signed. *Id.* This is factually incorrect. Neither Parlin nor the Company altered any documents or expense reports. As previously stated, when Barr vacated his position at the end of October 1994, a folder of Millenson's expense reports was never forwarded to Parlin for approval. Thus, Parlin did not sign and approve six political contributions totalling \$5150 for which Millenson was reimbursed in October 1994.

Millenson further alleges that respondents have said that he is responsible for approving all his own expense reports. Millenson Aff. par. 8. Again, this is factually incorrect. In our previous response, we stated that Barr approved the employee expense reports. At no point is it insinuated that Millenson was responsible for approving his own expense reports and indeed, as shown before, Millenson conceded in his electronic mail message dated January 11, 1995 that Parlin was approving his expense reports. The political contributions made by Millenson in October were signed only by Barr, and then placed in a folder to be forwarded to Parlin for approval. When Barr's position was vacated, Parlin requested that Millenson have *each* expense report submitted directly to him for approval until a new Finance Director joined DAD.

97043850374

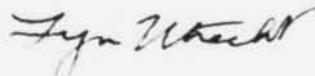
As seen in Millenson's submission to the Commission, in an electronic mail message dated January 11, 1995, Millenson wrote that he was unaware that Cindy Ziemba, an employee in DAD's accounting department, was not forwarding all of his expense reports to Parlin for signature. Ziemba was not aware of the interim policy because Millenson had not advised her of the policy. As previously stated, the reports contained in this folder, and the expense reports of Millenson dated after Barr left his position, are the only copies of Millenson's reports that were not approved by Parlin. Thus, the six political contributions totalling \$5150 to Friends of Marjorie M. Mezvinsky, Committee to Elect Steven Chabot, Salmon for Congress, Bilbray for Congress, Hastings '94, and Ehrlich for Congress were never forwarded nor approved by Parlin.

The Commission must recognize the contentious relationship that Millenson had with the company. After Millenson's employment at DAD was terminated, he brought suit against the company for wrongful termination of employment. Arbitration proceedings between Millenson and the company commenced in mid-May and an arbitration decision favorable to Millenson was issued in mid-July. The Company has appealed the decision of the Arbitrator. Due to the employment dispute between Millenson and the company, the Commission must appreciate the possible resentment or hostility that may be evident in Millenson's affidavit.

There is simply no basis in this matter for taking action against any individuals. The contributions reimbursed were clearly unintentional mistakes by individuals who did not understand that corporate reimbursements were impermissible. There is no legal or factual basis for holding Gary Parlin or James Barr responsible since they were not officers of the Company. Similarly, there is no basis for holding J&J responsible in this matter since no J&J funds were involved and no officer of J&J was involved in the approval process. Indeed, it was J&J's General Counsel who sought outside legal review and brought this to the attention of the FEC.

As stated in our previous letters of March 27, 1995 and March 28, 1996, the Respondents have made every effort to undo this unintentional error such that it brought this matter to the attention of the FEC, the proper repayment of the employee contributions from personal funds, an internal audit of all employee reimbursements, and additional employee training to ensure such activity will never occur again.

Sincerely,



Lyn Utrecht

Attachments

27043850375

AFFIDAVIT

I, Donna M. Malin, state as follows:

1. I am employed by Johnson & Johnson ("J&J") as Assistant General Counsel. I am also an Assistant Secretary of J&J. I submit this affidavit on behalf of Ortho Pharmaceutical Corporation ("Ortho"), J&J, Gary V. Parlin ("Parlin") and James P. Barr ("Barr").

2. Ortho, a Delaware corporation, is a wholly-owned subsidiary of J&J. Parlin was President of Ortho from May 1, 1983 to December 29, 1986. He is no longer an officer of Ortho. Parlin also served as Chairman of the Direct Access Diagnostics division ("DAD") of Ortho from August 1, 1993 through April 25, 1995.

3. At no time has Parlin been an officer or director of J&J.

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

27043850376

Dated: August 19, 1996

By: Donna M. Malin
Donna M. Malin

Sworn and subscribed to
before me this
19th day of August, 1996.

Barbara R. Schibilia

NOTARY PUBLIC
BARBARA R. SCHIBILIA
NOTARY PUBLIC OF NEW JERSEY.
My Commission Expires April 6, 1998

27043850377

AFFIDAVIT

I, Gary V. Parlin, state as follows:

1. As described herein, several of the statements made in the Federal Election Commission's Factual and Legal Analysis ("Staff Analysis") dated June 18, 1996, are factually incorrect as to the circumstances surrounding Ortho Pharmaceutical Corporation's ("Ortho") reimbursement of political contributions. I submit this affidavit to correct those errors.

2. I am one of 14 Company Group Chairmen at Johnson & Johnson ("J&J") since October 1, 1991. I also served as the Chairman of Direct Access Diagnostics ("DAD") from August 1, 1993 through April 25, 1995. As Chairman of DAD, my job included, but was not limited to, reviewing and approving the quarterly employee expense reports of the President of DAD, Elliott Millenson, within a certain dollar limit after expenses were made and reimbursed.

3. DAD is a division of Ortho, a Delaware corporation, which is a wholly-owned subsidiary of J&J, a corporation organized under the laws of the State of New Jersey. My responsibilities as Company Group Chairman of J&J were unrelated to my position as Chairman of DAD. It was only because of my position at DAD that I received and signed DAD expense reports.

4. As Chairman of DAD, I received, on a quarterly basis, copies of Mr. Millenson's employee expense reimbursement forms for review, after the reimbursements had been made to him. Prior to my receipt, these forms had been reviewed by Jim Barr, the Finance Director at DAD. In the past, I inadvertently reviewed and approved a

27043850378

contribution by Mr. Millenson to the Committee to Re-Elect Senator Kennedy. Upon review of Mr. Millenson's expense reports for the Second Quarter 1994, I found a political contribution to the Federal Campaign of Harkin for Senate. I then called Mr. Barr to verify whether or not it was legal for DAD to reimburse Mr. Millenson for this expense. Mr. Barr advised me that he had checked with someone at Ortho and had been advised that it was legal for such an expense to be reimbursed. Even though it was determined that political contributions were a legal expense for reimbursement, I decided that we were not going to make such reimbursements anymore, which I conveyed to Mr. Barr. I did not sign or approve the second quarter expense reports at this time.

5. When I received Mr. Millenson's expense reports for the Third Quarter 1994, I reviewed them for political contributions. No further political contributions had been made and I signed both the second and third quarter reports at this time. In my role as Chairman of DAD, I issued a memorandum to Mr. Millenson directing him not to make any political contributions without my express okay. The memorandum also stated that any other contributions over \$1,000 should also be pre-approved.

6. Based upon the advice I sought and received from Mr. Barr, it was my belief that corporate reimbursements of political contributions made by employees were permissible.

7. At the time I approved two expense reports with reimbursements of political contributions made by employees, I had no information or knowledge that a corporate reimbursement to an employee could in any way be considered an improper contribution from the Company. I signed the expense reports in my role as Chairman of DAD.

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

97043850379

Dated: July 19, 1996

By: Gary V. Parlin
GARY V. PARLIN



Sworn and subscribed to
before me this 19th day
of July, 1996.

Caryn A. Enoch
NOTARY PUBLIC

CARYN A. ENOCH
A Notary Public of New Jersey
My Commission Expires Sept. 22, 1998

27043850380

97043850381

1.

FAX COVER PAGE

To: Elliott Millenson		From: Bruce B. Decker
Fax Number: 1-808-253-6412		Company: Cypress Associates
Date: 11/11/93	Time: 13:40:38	For information Call: 310-659-8899
Subject:		Fax Number: 310-659-1382

On Wednesday, December 1, 1993, WORLD AIDS DAY, a group of our communities prominent AIDS activists are hosting a fundraiser for Senator Ted Kennedy in Washington D.C.. Tickets are \$500.00 each. I am buying two, and suggest that you buy four in order that I can invite prospective supporters of our project to join me for the dinner. Checks should be personal, not corporate or PAC, should be made payable to the Committee to Re-elect Senator Kennedy '94, and sent to me.

On Thursday, December 2, 1993, the NATIONAL GAY AND LESBIAN TASK FORCE will be celebrating its 20th anniversary at an event in Washington D.C.. Tickets will cost \$150.00 each. Our Foundation will be buying 10 tickets and we would appreciate being reimbursed for them. We will make it clear to the Task Force and to our guests that they have you to thank. If, however, you would like to have the check come from Direct Access Diagnostics, please have the office forward it to me and I will personally present it to the committee. CLK REP 1030

I will be staying in Washington for the 3d and 4th, retruning to Los Angeles on the 5th. My airfare will cost approximately \$811.00 (excursion fare plus upgrade certificates). I will be staying 4 nights at the Embassy Suites at \$175.00 per night, and estimate my out of pocket expense to be approximately \$750.00. I will be firming up the participants in the December 13 event and looking for an apartment.

Thank you for your continuing support.

97043850383

Name: Elliott J. ... Location: D.A.D.
 SS #: [Redacted] Extension: 253-6403
 Signed: [Signature] Date: 11/20/93

Direct Access Diagnostic Expense Report

2-18601

Dept. Acct. Code	Tail Code	Project No	Reference Field	Amount
154R-000-14-53025	650009			500.00
TOTAL				500.00

Purpose of Trip

Date	ACTIVITY/LOCATION	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)			Phone Telegram Postage	Air/Rail/Car Rent	Personal Car 0.275 / mile Miles Amount	Business Meals/Enter.	Laundry Valet	TIPS (Not Meals)	MISC. Other	TOTAL CASH EXP.	CREDIT EXPENDITURES	
			#	\$	#									\$	#
11/12												500.00	500.00		
TOTALS												500.00	500.00		

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
 **ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

- Less Personal Travel
- Less Travel Advance #
- Less Prior Balance Due Ortho
- Total Due Employee
- Total Due Ortho (attach check)

TOTAL CASH & CREDIT EXP.	\$ 500.00
Other Expenditures	
Room Deposit	
Registration Fees	
Registration Fees	

CASHIER'S SIGNATURE _____

TOTAL COST OF TRIP \$ 500.00

VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AM	DATE REQ'D	CUR. PERIOD	BATCH
CORP	DIV	LOC	DEPT	TAIL	PROJECT/REF NO	AMT TO BE CHARGED	
PREPAID CHECK DAT		PREPAID CHECK NO 1099 CD 1099		AMOUNT		APPROVAL	

(F)

9 7 0 4 3 8 5 0 3 8 5

ELLIOTT J. MILLENSON

1023

PAY TO THE ORDER OF

Committee To Re-Elect + Support Kennedy '74

March 11 1973

NEW JERSEY

Five Hundred and 00/100 DOLLARS

National Westminster Bank NJ
Pluckemin Office
Route 202-208 South, Pluckemin, NJ 07978

MEMO *Comp. in Pluckemin*

E. J. Millenson

Name: Elliott J. Millenson Location: D.A.D.
 SS #: [Redacted] Extension: 253-6403
 Signed: [Signature] Date: 1/20/93

Direct Access E.O. 12812
 Expense Report

Dept. Acct. Code	Tail Code	Project No.	Reference File	Amount
154R-000-14-53023	630009			500.00
TOTAL				500.00

Purpose of Trip

Barry H. Habley
Defaulin

Date	ACTIVITY/LOCATION	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)						Phone Telegram Postage	Air/Rail/Car Rent	Personal Car		Business Meals/Enter.	Laundry Valet	TIPS (Not Meals)	MISC. Other	TOTAL CASH EXP.	CREDIT EXPENDITURES	
			#	\$	#	\$	#	\$			#	\$						Miles	Amount
11/12															500.00	500.00			
TOTALS															500.00	500.00			

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
 **ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel
 Less Travel Advance \$
 Less Prior Balance Due Ortho
 Total Due Employee
 Total Due Ortho (attach check)

TOTAL CASH & CREDIT EXP.	\$ 500.00
Other Expenditures	
Room Deposit	
Registration Fees	
Registration Fees	
TOTAL COST OF TRIP	\$ 500.00

CASHIER'S SIGNATURE

VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AMT	DATE REQ'D	CUR. PERIOD	BATCH
CORP	DIV	LOC	DEPT	TAIL	PROJECT/NO	AMT TO BE CHARGED	
PREPAID CHECK DATE	PREPAID CHECK NO.	PREPAID AMOUNT	AP APPROVAL				

9 7 0 4 3 8 5 0 3 8 7

1023

ELLIOTT J. MILLENSON

March 11 1973

~~NY~~ NJ
712

PAY TO THE ORDER OF *Committee to Re-Elect Sen. James Buckley, Jr.* \$ *500.00*
Five hundred and 00/100 DOLLARS

National Westminster Bank NJ
Pluchemin Office
Route 202-208 South, Pluchemin, NJ 07978

MEMO *Constitutional*

E. J. Millenson

SS #: [redacted]
 Extension: 253-6407
 Signature: *Jim Bar*
 Date: 11/19/93
 Location: *0 4 3 8 9 5 8 81*
 Expense R

Dept. Acct. Code	Tail Code	Project No	Reference Field	Amount
154R-14-532	150009			50
TOTALS				500.00

See letter attached to M. Blosser re: 321-52-2004

Miscellaneous Contribution
Purpose of Trip

Date	ACTIVITY/LOCATION	#	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)				Phone Telegram Postage	Air/ Rail/ Car Rent	Personal Car 0.275 / mile Miles Amount	Business Meals/ Enter.	Laundry Valet	TIPS (Not Meals)	MISC. Other	TOTAL CASH EXP.	TOTAL CREDIT EXP.	DESCRIPTION
				#	BRKFST	#	LUNCH										
11/12														500.00	500.00		
TOTALS																	

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
 **ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel
 Less Travel Advance #
 Less Prior Balance Due Ortha
 Total Due Employee 500.00
 Total Due Ortha (attach check)

TOTAL CASH & CREDIT EXP - 500.00
 Other Expenditures
 Room Deposit
 Registration Fees
 Registration Fees
TOTAL COST OF TRIP 500.00

CASHIER'S SIGNATURE _____

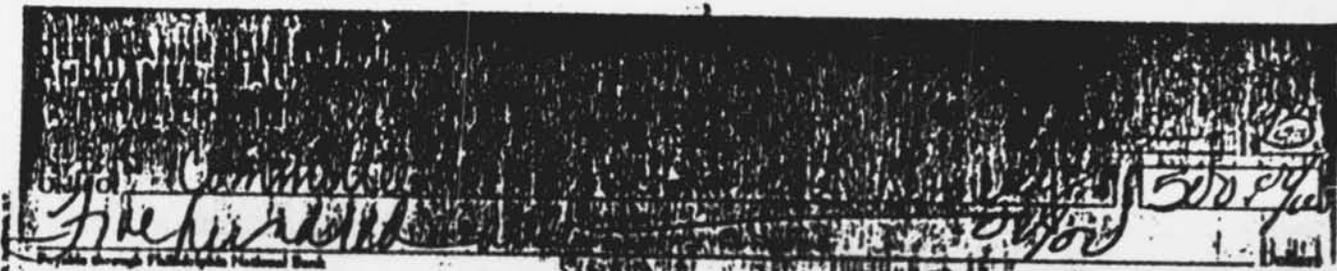
VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AMT	DATE REQ'D	CUR. PERIOD	BATCH

CORP	DIV	LOC	DEPT	TAIL	PROJECT/REF NO	AMT TO BE CHARGED

PREPAID CHECK DAT	PREPAID CHECK NO	1099 CD	1099 AMOUNT	A/P APPROVAL

(1)

9 7 0 4 3 8 5 0 3 8 9



**DELAWARE
GROUP**

DELAWARE CASH RESERVE

ALL ACCOUNT OWNERS MUST SIGN

James J. Barr
James J. Barr

Memo _____



27043850300

EMPLOYEE NAME (Please Print)
William Pagels
 SIGNATURE
W. Pagels
 APPROVED
[Signature]
 EXPENSE REPORT
 DATE
 D.A.D. 11/17/73

DEPT. ACCOUNT CODE	TAIL CODE	PROJECT NO.	REFERENCE FIELD	AMOUNT
154R-000-18	033025	-650009		500.00
TOTAL				

Contribution
 PURPOSE OF TRIP

DATE	ACTIVITY/LOCATION	ROOM (attach bill)	CASH EXPENDITURES (Attach receipts for all individual expenditures of \$25. or more)											CREDIT EXPENDITURES		
			PERSONAL MEALS (Include your Tip)			Phone Telegram Postage	Air Rail Car Rent	Personal Car		Business Meals - (Include meals **)	Laundry	Tips Other Than Meals	MISC. OTHER **	TOTAL CASH EXP.	TOTAL CREDIT EXP.	DESCRIPTION (Ticket Nos., Etc.)
			#	#	#			Miles	Amount							
11/2	Contribution to Senator Kennedy's Campaign													500.00	500.00	
TOTALS														500.00		

*IF OVER \$25 EXPLANATION MUST BE PROVIDED ON THE REVERSE SIDE!

CASHIER'S SIGNATURE

**ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON REVERSE SIDE

Less Personal Travel
 Less Travel Advances @
 Less Prior Balance Due Orths
 Total Due Employee
 Total Due Orths (attach check)

OTHER EXPENDITURES
 Room Deposit
 Registration Fee
 TOTAL COST OF TRIP

ACCOUNTS PAYABLE USE ONLY



CARD CODE
CARD CODE
CARD CODE
CARD CODE

VENDOR NUMBER	DATE	INVOICE NUMBER	AMOUNT	APPROVED

CORP	DIV	LOC	TO BE CHARGED DEPT.	TAIL	PROJECT	NO.	AMOUNT TO BE CHARGED

PREPAID CHECK DATE	PREPAID CHECK NO.	1999 CD	1999 AMOUNT	1999 BALANCE

(44)

William R. Pagels
Jean L. Pagels

[Redacted]

November 12, 1993

1009

95-719212



PAY TO THE
ORDER OF

Committee to Re-elect Sen Kennedy 500⁰⁰

Five hundred dollars no/100 DOLLARS

TINTON FALLS STATE BANK
608 SHREVEPORT PLAZA
TINTON FALLS, NJ 07701

FOR KENNEDY

W. R. Pagels

270438503

97043850392

215168

Name: _____	Mgrs: _____	Dresses: _____	Location: _____	D.A.D. _____
SS # _____	Extension: 253-6404			
Signed: _____	Approver: <i>Jim Bar</i>			
Date: 11/17/93				

**Direct Access ignost
Expense Report**

Dept. Acct. Code	Tell Code	Project No	Referral	Val
154R-000-14-93025	65000			5
	65000			
TOTAL				\$ 500.00

*IC Sullivan
w/ 15000 &
144000
and take
from
K-329B*

Purpose of Trip _____

Date	ACTIVITY/ LOCATION	Room (Attach Bill)	*PERSONAL MEALS (Includes Tips)				Phone Telegram Postage	Air/ Rail/ Car Rent	Personal Car		Business Meals/ Enter.	Laundry Vale	TIPS (Not Meals)	MISC. Other ee	TOTAL CASH EXP.	CREDIT EXPENDITURES	
			#	BRKFST	#	LUNCH			#	DINNER						Miles	Amount
11/12	Bridgewater												500.00	500.00			
TOTALS													500.00	500.00			

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE
**ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel
Less Travel Advance \$
Less Prior Balance Due Ortho
Total Due Employee
Total Due Ortho (attach check)

0.00
0.00
0.00
500.00
0.00

Other Expenditures
Room Deposit
Registration Fees
Registration Fees

CASHIER'S SIGNATURE _____

TOTAL COST OF TRIP \$ 500.00

VENDOR NUMBER	TODAY'S DATE	INVOICE NO.	RC	CHECK AM	DATE REQ'D	CUR. PERIOD	BATCH
CORP	DIV	LOC	DEPT	TAIL	PROJECT/REF NO	AMT TO BE CHARGED	
PREPAID CHECK DAT	PREPAID CHECK NO	1999 CD	1999 AMOUNT	AP APPROVAL			

MARGARET L. BLOSSER

3729

11-12 1993

SS-78432212

Pay to the Order of

Committee to Re-elect Senator Kennedy

500 —

Five hundred & no/100

Dollars

ATYBANK EMPLOYEES FEDERAL CREDIT UNION
BARTON, NJ 08003
ORTHO DIAGNOSTIC, BRANCH 14

X Margaret Blosser

For

97043850394

DIRECT ACCESS
DIAGNOSTICS

To: Mr. F. Campbell

November 22, 1993

Subject: Contributions made by Direct Access Diagnostics

Direct Access Diagnostics has made a \$2,000 contribution to the re-election of Senator Kennedy in 1994. The contribution was made up of 4 \$500 checks for seats at a dinner made individually by 4 employees of Direct Access. We are processing these checks through expense reports (2 of the 4 are attached). We realize this is not normal J&J procedure and have contacted Corporate's Government Affairs office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report.

Please process these as soon as possible ; if you have any questions give me a call at 253-6407.

Jim
Jim Barr

27043850395

60"
APC - see this
pls see on called
Ancher Jim to
ASML - Gary!
or just Deb
353 per yr
\$100.00

THEATRE AT FOUR SEASONS
1128 PENNSYLVANIA AVE. NW
WASHINGTON, DC 20007
202-332-1442

B13 lunch

Kirvan Lopez
2/21

DATE 02/27/94 TIME 06:34 PM

AMOUNT \$25.69

NO. 12/101 07756

PLEASE PRINT NAME AND ADDRESS
OF THE CARDHOLDER

[Signature]

PLEASE PRINT YOUR PHONE NUMBER

97043850398

ELLIOTT J. MILLENSON

PAY TO THE ORDER OF New American Century Fund February 19 94 1049
Five Hundred and 00/100 \$ 500.00 NEW
NJ
DOLLARS

National Westminster Bank NJ
Plymouth Office
Route 900-900 South, Plymouth, NJ 07975

MEMO Contribution *[Signature]*



HERTZ CORPORATION
 P.O. BOX 24120
 OKLAHOMA CITY, OK 73124
 1-800-654-4173

Rental Agreement No: 57308611-3

TO BE PAID BY

ELLIOTT MILLENSON###
 908-253-6412

Operating City No. 01898-00	REV %	DEBIT TIME IN 03/27/94 20121	
VEHICLE NO. 0004206975		DEBIT TIME OUT 03/26/94 13100	
VEHICLE LICENSE NO. ZMG8483		REGISTRATION CITY/STATE/ZIP 01810-11	
VEH MAKE-BODY STYLE	RENT CLASS F	RENT PER TH WEUL	RENT PER CK WEUL
VEH CLASS F	SUB/UP Day	2	99.99 67.98
EXCESS MILEAGE	WEEK	0	.00
Miles IN 1739	MILES	0	.00
Miles OUT 1598	MILES DAY	0	.00
Miles Driven 141	EXCESS HOURS	0	.00
Miles Allowed	EXCESS CHARGES		.00
RATE CONDITIONS			
• Minimum Rental Charge One Rental Day (24 Hours)			.00
• Rates do not include fuel and service charge			67.98
You agree to upgrade at additional charge			.00
Fuel and Service Charge .140 Per Mile 2.79 Per Gallon			67.98
LDW X	Loss Damage Waiver (LDW)	LDW	
PAI/PEC X	Personal Accident Insurance (PAI)/ Personal Effects Coverage (PEC)	PAI/PEC	Service Charge ADDITIONAL Charge .00
LI X	Liability Insurance Supplement (LI)	LI	Fuel and Serv Chg .00
VEHICLE/CATEGORY NO			LDW .00
IT Number			SUBTOTAL
RESERVATION ID NO			TAX 5.44
RENTAL SOURCE			US .00
RENTAL DEPOSIT			PAI & PEC .00
RESERVATION CLASS			TOTAL Charges 73.42
CURRENCY CONVERSION RATE			MISC 2.50
			LAST DED (if any) .00
Please Pay This Amount			Net Due 75.92

Thank You For Renting From Hertz

SIGNATURE ON FILE

Rental
 Agreement No
 573086113

* PRINTED FOR 964 HBIC ***

27043850399

1085

ELLIOTT J. MILLENSON

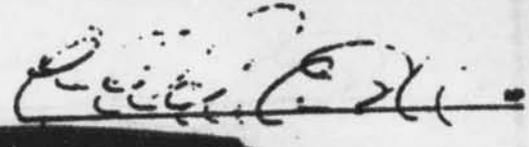
April 27 19 94

NEW JERSEY

PAY TO THE ORDER OF Garst for Senate \$ 100.00

One hundred and 00/100 DOLLARS

 National Westminster Bank NJ
Plushman Office
Route 282-288 South, Plushman, NJ 07090



MEMO Contribution

97043850402

ELLIOTT J. MILLENSON

1084

April 27 19 94

~~NEW~~
NJ
10

PAY TO THE
ORDER OF Friends of Tom Harkin

\$ 250.00

Two hundred fifty and 00/100

DOLLARS

& National Westminster Bank NJ

Phuket Office
Route 202-208 South, Phuketai, NJ 07978

MEMO Contribution



97043850403

97043850404

115520

2026638007:#20

Name	Elliott J. Millonon	Location	D.A.D.
SS #	[REDACTED]	Extension	218-7302
Signature	[Signature]		
Date	10/3/94	Approved	Jim Bau

**Direct Access Diagnostics
Expense Report**

Dept. Acct. Code	Fund Code	Project No	Reference Field	Amount
154R-008-14-51021	640000			250.00
	150000			
TOTAL				250.00

contribution
Purpose of Trip

Date	ACTIVITY/ LOCATION	#	Receipt (Attach Bill)	*PERSONAL MEALS (Includes Tips)						Phone Telegrams Postage	Air/ Rail/ Car Rent	Personal Car 0.275 / mile Miles Allowed	Business Meals/ Entert.	Laundry/ Valet	TIPS (Not Meals)	MISC. Other	TOTAL CASH EXP.	CREDIT EXPENDITURES	
				#	\$	#	\$	#	\$									TOTAL CREDIT EXP.	DESCRIPTION
10/3	contribution														250.00	250.00			
TOTALS																250.00	250.00		

*IF OVER \$25, EXPLANATION MUST BE PROVIDED ON NEXT PAGE

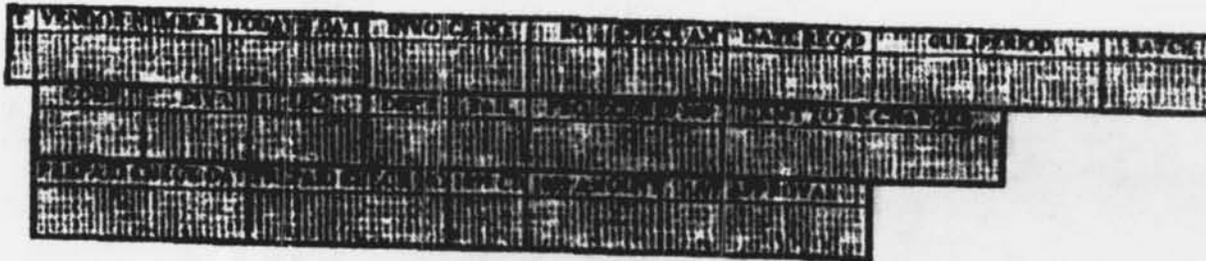
**ALL EXPENSES MUST BE FULLY SUBSTANTIATED ON NEXT PAGE

Less Personal Travel 0.00
 Less Travel Advances \$ 0.00
 Less Prior Balance Due Orths 0.00
 Total Due Employee 250.00
 Total Due Orths (attach check) 0.00

Other Expenditures
 Rental Deposit
 Registration Fee
 Registration Fee

TOTAL COST OF TRIP 250.00

CASHIER'S SIGNATURE



1-25-95 : 2:51PM : DIRECT ACCESS DIAG. -

SENT BY:

ELLIOTT J. MILLENSON

1136

10/3 19 94 ~~2~~ENJ
112

PAY TO THE ORDER OF Friends of Marjorie Margolies Mezvinsky \$ 250.00

Two Hundred Fifty and 00/100 DOLLARS

National Westminster Bank NJ

Puckett Office
Rm 202-201 South, Puckett, NJ 07978

MEMO contribution

97043850406

1144

ELLIOTT J. MILLENSON

10/25 19 94 3-2NJ
212

PAY TO THE ORDER OF Hastings for Congress \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
Pluckemin Office
 Route 202-208 South, Pluckemin, NJ 07870

MEMO contribution *[Signature]*

1145

ELLIOTT J. MILLENSON

10/25 19 94 3-2NJ
212

PAY TO THE ORDER OF Matt Salmon for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
Pluckemin Office
 Route 202-208 South, Pluckemin, NJ 07870

MEMO contribution *[Signature]*

1146

ELLIOTT J. MILLENSON

10/25 19 94 3-2NJ
212

PAY TO THE ORDER OF Bilbray for Congress \$ 1000.00

One thousand and 00/100 DOLLARS

National Westminster Bank NJ
Pluckemin Office
 Route 202-208 South, Pluckemin, NJ 07870

MEMO contribution *[Signature]*

97043850409

1147

ELLIOTT J. MILLENSON

10/25 19 94 5-21NJ
70

PAY TO THE ORDER OF Shlich for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

 National Westminster Bank NJ
PLUCKER OFFICE
 Route 202-208 South Pluckers NJ 07078

MEMO contribution

[Signature]

1148

ELLIOTT J. MILLENSON

10/25 19 94 5-21NJ
70

PAY TO THE ORDER OF Chabot for Congress Committee \$ 1000.00

One thousand and 00/100 DOLLARS

 National Westminster Bank NJ
PLUCKER OFFICE
 Route 202-208 South Pluckers NJ 07078

MEMO contribution

[Signature]

566

WENDY STRONGIN, M.D.
 ELLIOTT J. MILLENSON

10/25 19 94 5-22/70

PAY TO THE ORDER OF Citizens for Stuart Schooler \$ 150.00

One hundred fifty and 00/100 DOLLARS

 PEAPACK-GLADSTONE BANK
PLUCKER OFFICE
 EDWARDS, NEW JERSEY 07811

MEMO contribution

[Signature]

97043850410

DIRECT ACCESS
DIAGNOSTICS

TO: A. Munley
FROM: J. Barr
DATE: October 26, 1994
SUBJECT: Contributions made by Elliott Millenson

Attached is an expense report for Elliott Millenson for contributions made by him on behalf of Direct Access Diagnostics. I am aware this is an exception to normal processing but an authorizing payment as has occurred previously.

Please process this as soon as possible.

Thank you

Jim

97043850411

November 18, 1994

SUBJECT: EXPENSE REPORTS - 2ND AND 3RD QUARTERS 1994

TO: Elliott Millenson

I am returning, signed, your expense reports for the 2nd and 3rd quarters of 1994. Please note the following:

1. In the future do not make any political contributions without my express okay. Secondly, any contributions of over \$1,000 should also be pre-approved.
2. I would appreciate an oral explanation on why it was necessary to pay for Donald Francis' airfare in June. My understanding was that he was going to Germany to testify on behalf of another party.
3. Until you have on board, a Finance Director, please have your expense reports, as well as Wendy's sent over to me for signature after Cindy signs off. However, there is no need to hold up reimbursement. As soon as a Finance Director is operational we can revert back to the "quarterly review" system.

Gary V. Parlin

97043850412

MEMORANDUM

TO: Mr. Gary V. Parlin

FROM: Elliott J. Millenson *EJM*

DATE: January 13, 1995

SUBJECT: Contributions

This responds to your January 11 request for data on 1) political, and 2) non-political contributions made by DAD, or reimbursed by DAD to its employees.

Background

As background, the need to develop and execute a sophisticated business plan which includes socially responsible contributions was recognized and approved at the outset by key management including Mr. Jack Bowman and Mr. Bob Wilson.

Contributions Summary

Since its inception, DAD has contributed or reimbursed \$389.0M in contributions. This includes \$11.1M in political and \$377.9M in non-political contributions. Of this amount, \$346.8M was contributed by DAD directly and \$8.1M was reimbursed by DAD to its employees. In addition, DAD reimbursed \$34.1M for contributions made by entities outside DAD. These contributions, namely \$6.7M in political and \$27.4M in non-political contributions, were all made by the Health Policy and Research Foundation and are detailed in Exhibit 1. In 1995, no contributions have been made by DAD, or reimbursed by DAD to its employees or outside entities.

Contributions

A breakout of contributions by year is shown below:

Non-Political Contributions

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
AIDS Healthcare Foundation	\$ 5,000	February 1994
	35,000	October 1994
AIDS Service Center ¹	1,000	July 1994
	250	October 1994

¹Contribution reimbursed by DAD to its employee(s)

²Contribution made by DAD as honoraria or made in memory of deceased DAD supporter

27043850413

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
AmFar	\$ 5,000	June 1993
Being Alive ²	1,000	June 1994
Broadway Cares/Equity Fights AIDS ²	500	June 1994
	5,000	September 1994
Center One	5,000	April 1994
Citizens Action Awards Dinner ¹	2,500	July 1994
Coalitions For America	25,000	December 1994
Committee For American Progress	5,000	October 1994
Communitarian Network/ Communitarian Project	5,000	August 1994
	15,000	December 1994
Empire State Pride Agenda ²	500	June 1994
Florida Consumer Action Foundation	2,500	July 1994
	4,000	September 1994
Foundation of Pharmacists and Corporate America for AIDS Education	2,500	August 1993
Gay & Lesbian Adolescent Social Services	3,000	April 1994
	2,000	September 1994
Henry M. Jackson Foundation Fund	700	July 1994
Human Rights Campaign Fund	1,050	October 1994
Love Heals ²	500	June 1994
Minority AIDS Project ²	500	June 1994
	100	August 1994
National Council of LaRaza	5,000	July 1993
	7,500	March 1994
National Gay and Lesbian Task Force	3,000	November 1993
National Lesbian & Gay Journalists Assoc.	3,000	September 1994
New York in '94 (Gay Games)	5,000	May 1994

¹Contribution reimbursed by DAD to its employee(s)

²Contribution made by DAD as honoraria or made in memory of deceased DAD supporter

97043850414

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
People with AIDS Coalition ²	5,500	June 1994
Phoenix Body Positive ²	500	June 1994
Physicians Association for AIDS Care	1,000 2,000	January 1994 September 1994
Progress & Freedom Foundation	✓ 30,000	December 1994
Resource Center for Women and Their Families	400	July 1994
Safe Space ²	500	June 1994
Serra Project ²	500	June 1994
S.W. Community Based AIDS ² Treatment Group (COMBAT)	1,500	June 1994
University of Michigan School of Law	✓ 75,000	December 1994
Visual AIDS ²	500	June 1994
Total Contributions	\$213,500	

Political Contributions

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
Garst for Senate ¹	\$ 100	May 1994
Harkin for Senate ¹	250	May 1994
Kennedy for Senate ¹	2,000	March 1994
Stan Lundeen ¹	2,000	June 1994
Total Contributions	\$4,350	

Please let me know if you have any questions.

cc: C. Ziembra

¹Contribution reimbursed by DAD to its employee(s)

²Contribution made by DAD as honoraria or made in memory of deceased DAD supporter

27043850415

Exhibit 1

Contributions Made To Health Policy & Research Foundation (HPRF)

(Note: At the request of Bruce Decker, donations are made to the HPRF Foundation in lieu of his accepting personal fees for his consulting services to the company)

Non-Political Contributions

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
HPRF	\$ 41,800	Feb. - Dec. 1993
HPRF	12,000	February 1994
HPRF	6,000	March 1994
HPRF	12,000	May 1994
HPRF	12,000	June 1994
HPRF	19,800	July 1994
HPRF	1,800	August 1994
HPRF	10,200	September 1994
HPRF	6,000	October 1994
HPRF	6,000	November 1994
HPRF	9,400	December 1994
Total Contributions	\$137,000	1993 - 1994

Contributions Made By Health Policy & Research Foundation (HPRF)

(Reimbursed by Direct Access Diagnostics)

Political Contributions

<u>Organization</u>	<u>Amount (\$)</u>	<u>Date</u>
Kathleen Brown	200	November 1994
CAL Victory '94	2,000	November 1994
Carole Migden	300	November 1994
Tony Miller	3,750	November 1994
Torres Committee	500	September 1994
Total Contributions	\$6,750	1994

97043850416

Exhibit 1 (cont'd)

Contributions Made by Health Policy & Research Foundation (HPRF)
(Reimbursed by Direct Access Diagnostics)

Non-Political Contributions

	<u>Amount (\$)</u>	<u>Date</u>
AIDS Action Council	\$ 5,000	February 1994
AIDS Project Los Angeles	1,000	July 1994
Being Alive	1,500	November 1994
Divine Design/DIFFA	1,000	December 1994
Gay & Lesbian Adolescent Social Services	500	December 1994
Gay & Lesbian CSC	350	August 1994
Gay Men's Health Crisis	1,000	August 1994
Human Rights Campaign Fund	1,200	July 1994
Log Cabin	300	August 1994
PAWS	1,000	September 1994
Project Angel Food	12,500	September 1994
Search Alliance	1,000	December 1994
SHANTI	500	August 1994
Wolf	500	July 1994
Total Contributions	\$27,350	1994

97043850417

Parlin, Gary V.

From: Millenson, Elliott
To: Parlin, Gary V.
Subject: Contributions
Date: Friday, January 20, 1995 5:43PM
Priority: High

Gary,

It is very fortunate that you asked me to provide you a list of DAD contributions last week. I shared this list with Steve Hofman, who pointed out that there may be a legal problem with corporate reimbursement of political contributions. I have taken immediate action to look into this and have consulted with Washington counsel who is experienced in these matters. I will contact Kathy Schroeder as well and will take all appropriate actions needed to correct this situation, if there turns out to be any problem. I will keep you fully informed.

Elliott

27043850418

To: Elliott Millenson

Subject: Review of Expense Report Processing and Contribution Expenses

In summary, the following items need to be done:

1. We need to send the attached memo to Gary Parlin indicating that \$7,335 worth of contributions made in 1994 were not included in the 1/13/95 memo.
2. We need to send Gary sixteen of your expense reports for his review and approval. As far as I can gather, there was a break-down of current procedures. I spoke to Jim Barr and he indicated that the procedure was that your secretary would forward the original copy of your expense report for his review and approval for processing. The expense reports were then returned to your secretary who made copies and forwarded the original to Ortho Mc Neil for processing. On a quarterly basis, Jim would go to your secretary to obtain the file that had the copies and forwarded them to Gary Parlin for approval. When Jim left he told Cindy that Gary received copies of your expense reports at quarter-end for approval. He did not spell out that the copies were maintained by the secretaries. Cindy asked the secretary to forward copies of your expense reports to her. She was not aware that there were expenses that were processed in October that were previously sent to Jim for approval. Therefore, as far as she was aware, the expense reports that were forwarded to her in fourth quarter represented the total population. The one expense report dated in May that showed contributions to Lundine was included in the package that was sent to Gary. Either he inadvertently skipped over it or he had questions on it. The expense report was not approved and there is no note indicating why. When I questioned Jim as to why some of the expense reports were not forwarded to Gary for approval, there really was no good reason. He relied on the secretary to make the copies. He did not keep track of all expense reports processed for you. As far as I can tell, the incident in October was due to turnover (transitional state) and due to the fact that procedures were not formally communicated or documented. See attached for specifics.

In order to ensure that total contributions were properly reported to Gary, the following procedures were performed:

1. I agreed all of 1993/1994 original expense reports for you and Wendy to the Accounts Payable Subsidiary Ledgers and Gelco's Report. Additionally, I agreed your expense reports to the copies sent to Gary Parlin for review and approval. I also reviewed each expense report to ensure that contribution expenses were properly captured. The contributions left out of Gary's memo were coded incorrectly.
2. Cindy went through all of the other employee's expense report files for 1993/1994 to determine if contributions were made that were not charged to the correct account.

97043850419

The attached Travel and Entertainment Policy is the policy that all of Johnson & Johnson domestic companies should be complying with. I would like to forward to all DAD employees and an internal change to the expense report processing procedure as per the attached.

If you have time, I would like to discuss these items with you. At a minimum, the memos to Gary should be forwarded.

Helen Iisu 2/2/95

97043850420

Detail Explanation of each Expense Report

For expense reports dated 1/5/94, 1/11/94, 1/14/94, 5/18/94, and 6/28/94 there is no logical reason as to why they were not included in Gary Partin's binder for his approval. There were other expense reports completed during the same time period that were forwarded to Gary. The only explanation that I can logically come up with is that a human error (not making copies for the file) occurred. These were basic travel expenses. Additionally, since there were no controls to establish completeness of documents that were sent to Gary, there can be no complete assurance that all documents are forwarded as required. New procedures have been established. The only reason I knew these were not approved by Gary was that I obtained the original copies of your expense reports, agreed them to the Account's Payable Subsidiary Ledger and matched them to the copies that were sent to him.

Expense report dated 5/24 was included in the binder that was forwarded to Gary. The expense report was filed in the middle of the binder. So there is no logical reason other than the fact that Gary may have inadvertently missed that one or he had a question on it. However, there is no explanation on the copy of the expense report.

For expense reports dated 10/3/94, 10/4/94, 10/4/94, 10/9/94, 10/12/94, 10/13/94, 10/16/94, 10/21/94, 10/23/94 and 10/24/94, as noted above Cindy was not aware that these were processed. She thought that she had asked for copies of your expense reports and thought that she had the total population. This apparently happened due to the fact that Cindy was not informed of the previous procedures being followed by Jim. They were not communicated to her in detail and are not documented in writing.

97043850421

To: Mr. Gary Parlin

2/2/95

From: Mr. Elliott Millenson

Subject: Contributions

This is an addendum to the memo sent to you on 1/13/95. After subsequent review of the memo sent to you, I realized that not all contributions were reflected. As a result, I asked Helen Hsu to review our records. She determined that the following were inadvertently excluded.

<u>Organization</u>	<u>Amount(\$)</u>	<u>Date</u>
<u>Non Political</u>		
New American Century Fund	\$ 500	April 1994
AmFar	235	June 1994
Aids Service Center	1,000	June 1994
Human Rights Campaign Fund	350	October 1994
<u>Political</u>		
Hastings for Congress	1,000	October 1994
Matt Salmon for Congress	1,000	October 1994
Bilbray for Congress	1,000	October 1994
Ehrlich for Congress	1,000	October 1994
Chabot for Congress	1,000	October 1994
Citizens for Stuart Schooler	150	October 1994
Re-elect Supervisor Carole Migdan	100	September 1994
<u>Total Additional Contributions</u>	<u>\$ 7,335</u>	

These expenses were all reimbursed through expense reports. They were not coded to the correct account code. If you have any questions, please contact me.

97043850422

FEB 16 1995

ELLIOTT J. MILLENSON
15 Ashington Club Road
Far Hills, NJ 07931

November 15, 1995

Mr. Peter Tattle
Company Group Chairman
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933-7002

Dear Mr. Tattle:

As I have previously brought to the attention of the company, during the period from November 11, 1993 through October 25, 1994, I made contributions from my personal funds to the federal campaign committees for eight individuals who were seeking election to Congress in the general election on November 8, 1994 and one multi-candidate political committee. These contributions were subsequently reimbursed to me by the corporate parent of my employer, Ortho Pharmaceutical Corporation. Those nine contributions, which totalled \$6,500 are itemized as follows:

Kennedy for Senate	11/11/93	\$500.00
New American Century Fund	2/24/94	500.00
Harkin for Senate	4/27/94	250.00
Mezvinsky for Senate	10/3/94	250.00
Chabot for Congress	10/25/94	1000.00
Salmon for Congress	10/25/94	1000.00
Hastings for Congress	10/25/94	1000.00
Erlich for Congress	10/25/94	1000.00
Bilbray for Congress	10/25/94	1000.00

At the time that these personal contributions were made and reimbursed, I was under the mistaken belief that such contributions could be reimbursed by my employer. My inaccurate understanding of reimbursement of an employee's personal political contributions came as a result of specific inquiries made by me to other corporate executives who I thought, because of their responsibilities with the company, would be knowledgeable about such contribution questions, including Mr. Jim Barr.

27043850423

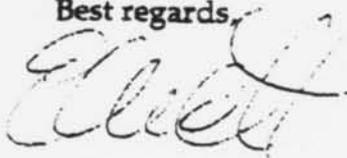
Mr. Peter Tattle
February 15, 1995
Page Two

In fact, I have learned subsequently, through additional independent inquiries, that the affirmative responses of these corporate executives to my initial question about the permissibility of corporate reimbursements of individual contributions were completely at odds with the federal statute which controls this issue. As soon as I learned of the statutory prohibition on such reimbursements, I immediately contacted knowledgeable counsel in Washington, D.C., Mr. Charles Cooper, to review my understanding of the law, and also expressed my concern about the legality of these reimbursements to Mr. Gary V. Parlin. This communication was initiated with Mr. Parlin on January 20, 1995 via electronic mail. It was followed by similar electronic communications with Ms. Kathy Schroeder on January 23, 1995 and with Mr. Parlin and Ms. Schroeder on January 24, 1995.

Subsequent to my discovery that such corporate reimbursements are prohibited by federal law, I retained counsel, on February 15, 1995 to represent me in the resolution of this matter. On the advice of my counsel, Mr. William B. Canfield, a partner in the firm of Holland & Knight, Suite 400, 2100 Pennsylvania Avenue, N.W., Washington, D.C. 20037, I am forwarding to you, as an enclosure with this letter, my personal check in the amount of \$6,500.00 as my reimbursement for the corporate reimbursements mistakenly made by Ortho for the above referenced personal federal political contributions.

Having forwarded my contribution to you, it is my hope and expectation that the company will join me in bringing this issue to the immediate attention of the Federal Election Commission. My counsel and I look forward to working with you and your counsel in speedy resolution of this matter.

Best regards,



Elliott J. Millenson

enclosure

cc William B. Canfield III, Esq.

97043850424

WENDY STRONGIN, M.D.
ELLIOTT J. MILLENSON

591

SS-523/212

February 15, 1995

FAY TO THE
ORDER OF

Ortho Pharmaceutical Corp. | \$6,500.00

Six Thousand Five Hundred and 00/100 DOLLARS



PEAPACK-GLADSTONE BANK
PLICKENIS OFFICE
NEW JERSEY 07961

MEMO REIMBURSEMENT

[Handwritten Signature]

97043850425

P.T. TATTLE

FEB 24 1995

Elliott J. Millenson
15 Ashington Club Road
Far Hills, NJ 07931

February 22, 1995

Mr. Peter T. Tattle
Company Group Chairman
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933-7002

Dear Mr. Tattle:

As outlined in my letter to you of February 15, 1995 (misdated as "November 15, 1995"), it has come to my attention that certain expense reimbursements approved by Ortho Pharmaceutical Corporation for a small number of my personal political contributions during 1993-1994 were made under a mistaken understanding or interpretation of relevant federal law.

My earlier letter to you identified nine contributions, totalling \$6,500.00, which had been made from my personal funds to federal candidate committees and subsequently reimbursed by Ortho. My letter reviewed the facts which lead to my misunderstanding of the reimbursable nature of such political contributions and enclosed my personal check to Ortho in the amount of \$6,500.00 to rectify the inappropriate corporate reimbursements made earlier by Ortho.

In examining my records of these inappropriate reimbursements, it also appears that Ortho reimbursed me for personal contributions to a small number of state and local candidate committees as well. According to my records, the following contributions were reimbursed in 1994:

"Garst for Senate (Iowa)"	\$100.00	4/27/94
"New Yorkers for Stan Lundine"	2000.00	5/21/94
"Citizens for Stuart Schooler (Md)"	150.00	10/25/94
"Friends of Ken Wolfe (Fl)"	500.00	1/24/94
"Friends of Ken Wolfe"	500.00	2/22/94

As with the federal contributions that were the subject of my earlier letter to you, at the time that I made these state and local contributions, I was under the impression that such contributions could be reimbursed by Ortho. While some states do allow direct corporate contributions to state and local candidates, it is also

97043850426

Mr. Peter T. Tattle
February 22, 1995
Page Two

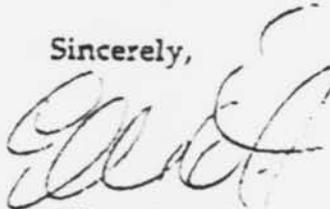
true that most, if not all, states bar one contributor from making a contribution in the name of another contributor. In my view, the reimbursements from Ortho for these personal and state and local contributions might be viewed in this light.

Accordingly, I have decided, on the advice of counsel, to forward to Johnson & Johnson with this letter, my personal check in the amount of \$3,250.00 as repayment for the reimbursed state and local contributions referenced above.

I regret that my misimpression and misunderstanding of the law resulted in these reimbursements by Ortho. As indicated in my letter of February 15, 1995, my misunderstanding and misimpression of the law resulted from good faith inquiries made to colleagues whom I thought were in a position within the company to have an accurate understanding of the legality of such corporate reimbursements.

With best regards,

Sincerely,



Elliott J. Millenson

cc Mr. William B. Canfield, III

27043850427

97043850428

WENDY STRONGIN, M.D.
ELLIOTT J. MILLENSON

595

35-523/212

February 22 1978

PAY TO THE ORDER OF

Ortho

Three Thousand Two Hundred Fifty and ⁰⁰/₁₀₀ DOLLARS \$ 3,250.00



PEAPACK-GLADSTONE BANK
PLUCKEMIN OFFICE
MEDFORD, NEW JERSEY 07041

[Signature]

MEMO *sentiment*

2/23/95

Helen

As requested please see the attached.

If you have any questions or concerns

please give me a call

Jim Barr
524-3652

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JAMES J. BARR
DEBRA A. JONES-BARR

65-73712

4687

Feb 23 1995

PAY TO THE
ORDER OF

Ortho Pharmaceutical

\$ 500.00

Five Hundred & 00/100

DOLLARS

 CoreStates
New Jersey
National Bank

Richard

James J. Barr

DIRECT ACCESS
DIAGNOSTICS

2/27/95

Ms. Margie Blosser Gladstone
387 A Wilmington Drive
Bartlett, Illinois 60103

Dear Ms. Gladstone:

Recently, I became aware that you contributed \$500.00 in 11/93 to an event for the Re-election of Kennedy. You were then reimbursed by Direct Access Diagnostics. As a corporation, it is illegal to contribute to any political event. As a result, I am requesting that you reimburse the Company for the \$500.00. Appropriate filings to the Federal Government will be made shortly.

If you have any questions or concerns, please contact me at 908-218-7246 or Ms. Donna Malin at Johnson & Johnson Legal at 908-524-2465.



Helen Hsu
Director of Finance

27043850430

1993 INVOICE REGISTER FOR DIVISION/LOCATION

NAME	INVOICE NUMBER	INVOICE DATE	VOUCHER NUMBER	DUE DATE	PAY CODE	BANK CODE	CHECK NUMBER	GROSS AMOUNT	DISCOUNT AMOUNT	PAID AMOUNT
MIC PAR NJ	24411	930929	359002	931009	P	01	0163244	1,509.88	.00	1,509.88
MIC PAR NJ	24714	931005	291661	931015	P	01	0135676	1,505.81	.00	1,505.81
MIC PAR NJ	24924	931007	294702	931017	P	01	0137285	689.92	.00	689.92
MIC PAR NJ	24958	931007	294706	931017	P	01	0137285	75.00	.00	75.00
MIC PAR NJ	25069	931008	294699	931018	P	01	0137285	335.74	.00	335.74
MIC PAR NJ	25822	931019	268936	931112	I	01	0125528	4,536.80	.00	4,536.80
MIC PAR NJ	26018	931021	314560	940224	I	01	0145821	2,174.84	.00	2,174.84
MIC PAR NJ	26095	931021	314566	940224	I	01	0145821	792.88	.00	792.88
MIC PAR NJ	26111	931022	314569	940224	I	01	0145821	125.10	.00	125.10
MIC PAR NJ	27004	931103	288218	931113	P	01	0134397	403.56	.00	403.56
MIC PAR NJ	28928	931130	314601	940224	I	01	0145821	123.12	.00	123.12
MIC PAR NJ	29360	931208	314605	940224	I	01	0145821	587.40	.00	587.40
MIC PAR NJ	29899	931215	306127	940207	I	01	0143889	1,060.00	.00	1,060.00
TOTAL								31,823.94	.00	31,823.94
MIC STA CO	8059	931025	274294	931124	I	01	0128092	751.50	.00	751.50
MIC STA CO	8113	931029	281665	931213	I	01	0131454	1,330.00	.00	1,330.00
MIC STA CO	8162	931105	290013	931229	I	01	0135260	835.00	.00	835.00
MIC STA CO	8214	931109	290012	931229	I	01	0135260	629.59	.00	629.59
TOTAL								3,546.09	.00	3,546.09
MIK CLA LI	0012 0031	931024	269598	931116	I	01	0126017	2,343.95	.00	2,343.95
MIK CLA LI	00320041	931101	271089	931118	I	01	0126654	1,771.25	.00	1,771.25
MIK CLA LI	0042 0051	931108	272713	931122	I	01	0127166	1,771.25	.00	1,771.25
MIK CLA LI	00520060	931115	283687	931116	P	01	0132447	1,658.00	.00	1,658.00
MIK CLA LI	006110068	931126	283277	931215	I	01	0132076	1,387.00	.00	1,387.00
MIK CLA LI	00690082	931203	286619	931222	I	01	0133934	1,613.00	.00	1,613.00
MIK CLA LI	00830097	931210	286617	931222	I	01	0133934	1,711.25	.00	1,711.25
MIK CLA LI	00980116	931221	291853	940105	I	01	0136007	1,943.75	.00	1,943.75
MIK CLA LI	0110011	931019	265150	931104	I	01	0123765	1,562.75	.00	1,562.75
TOTAL								15,762.20	.00	15,762.20
MIL MON	1037	930706	230802	930820	I	01	0108503	8,880.00	.00	8,880.00
MIL MON	1048	931020	270696	931117	P	01	9900222	5,586.00	.00	5,586.00
MIL MON	1051	930728	230808	930817	P	01	0108503	1,500.00	.00	1,500.00
MIL MON	1075	930914	249525	931004	P	01	0117102	239.00	.00	239.00
TOTAL								16,205.00	.00	16,205.00
53 MILLENSE	E ERROR	931208	279249	931208	I	01	0000000	1,448.50-	.00	.00
53 MILLENSE	E ERROR 2	931208	279250	931208	I	01	0000000	1,384.19-	.00	.00
53 MILLENSE	E 050493	930504	215478	930716	I	01	0101422	642.64	.00	642.64
53 MILLENSE	E 060193	930601	222067	930729	I	01	0104432	757.35	.00	757.35
53 MILLENSE	E 060593	930605	220992	930728	I	01	0104016	7,997.16	.00	7,997.16
53 MILLENSE	E 061493	930614	210027	930706	I	01	0098476	84.80	.00	84.80
53 MILLENSE	E 061793	930617	224032	930804	I	01	0105366	2,675.31	.00	2,675.31
53 MILLENSE	E 061893	930618	212019	930708	I	01	0099278	622.04	.00	622.04
53 MILLENSE	E 062093	930620	229802	930818	I	01	0108095	429.85	.00	429.85
53 MILLENSE	E 062893	930628	228407	930816	I	01	0107492	1,639.86	.00	1,639.86
53 MILLENSE	E 070293	930702	220990	930728	I	01	0104016	4,205.94	.00	4,205.94
53 MILLENSE	E 071193	930711	235473	930902	I	01	0110720	8,788.62	.00	8,788.62
53 MILLENSE	E 071393	930713	278600	931207	I	01	0130412	3,439.40	.00	3,439.40
53 MILLENSE	E 071993	930719	228419	930816	I	01	0107492	1,237.63	.00	1,237.63

1993 INVOICE REGISTER FOR DIVISION LOCATION 2PO

NAME	INVOICE NUMBER	INVOICE DATE	VOUCHER NUMBER	DUE DATE	PAY CODE	BANK CODE	CHECK NUMBER	GROSS AMOUNT	DISCOUNT AMOUNT	PAID AMOUNT
53 MILLENZO E	072193	930721	228408	930816	I	01	0107492	2,066.86	.00	2,066.86
53 MILLENZO E	080393	930803	229818	930818	I	01	0108095	45.25	.00	45.25
53 MILLENZO E	080593	930805	229808	930818	I	01	0108095	26.45	.00	26.45
53 MILLENZO E	081093	930810	235334	930902	I	01	0110720	1,571.03	.00	1,571.03
53 MILLENZO E	081593	930815	258543	931022	I	01	0121349	71.05	.00	71.05
53 MILLENZO E	082693	930826	251276	931007	I	01	0117963	2,385.48	.00	2,385.48
53 MILLENZO E	082693	930826	244724	930923	I	01	0115034	804.34	.00	804.34
53 MILLENZO E	090193	930901	251279	931007	I	01	0117963	318.50	.00	318.50
53 MILLENZO E	091493	930914	251286	931007	I	01	0117963	794.43	.00	794.43
53 MILLENZO E	092393	930923	251284	931007	I	01	0117963	830.41	.00	830.41
53 MILLENZO E	093093	930930	253566	931013	I	01	0119204	482.00	.00	482.00
53 MILLENZO E	100593	931005	278608	931207	I	01	0130412	619.49	.00	619.49
53 MILLENZO E	100793	931007	258542	931022	I	01	0121349	1,325.05	.00	1,325.05
53 MILLENZO E	101293	931012	258540	931022	I	01	0121349	759.76	.00	759.76
53 MILLENZO E	102393	931023	278602	931207	I	01	0130412	4,674.49	.00	4,674.49
53 MILLENZO E	110793	931107	278604	931207	I	01	0130412	3,228.64	.00	3,228.64
53 MILLENZO E	111293	931112	278606	931207	I	01	0130412	500.00	.00	500.00
53 MILLENZO E	111693	931116	279252	931208	I	01	0130697	1,448.50	.00	1,448.50
53 MILLENZO E	111693	931116	279224	931208	I	01	0130697	1,448.50	.00	1,448.50
53 MILLENZO E	111793	931117	279227	931208	I	01	0130697	523.06	.00	523.06
53 MILLENZO E	112293	931122	279253	931208	I	01	0130697	1,384.19	.00	1,384.19
53 MILLENZO E	112293	931122	279229	931208	I	01	0000000	1,384.19	.00	1,384.19
53 MILLENZO E	113093	931130	279231	931208	I	01	0130697	492.50	.00	492.50
53 MILLENZO E	120693	931206	284714	931217	I	01	0133154	2,796.60	.00	2,796.60
53 MILLENZO E	121093	931210	287181	931222	I	01	0134371	1,383.27	.00	1,383.27
53 MILLENZO E	121393	931213	298359	940120	I	01	0139282	910.35	.00	910.35
53 MILLENZO E	121493	931214	290683	931229	I	01	0135633	2,313.70	.00	2,313.70
53 MILLENZO E	121793	931217	293796	940110	I	01	0136970	3,603.95	.00	3,603.95
53 MILLENZO E	122193	931221	299126	940121	I	01	0139487	921.90	.00	921.90
53 MILLENZO E	122193	931221	293793	940110	I	01	0136970	1,065.31	.00	1,065.31
TOTAL								69,867.16	.00	69,867.16
MIN PRE IN	72470	930716	223735	930804	I	01	0105181	50.88	.00	50.88
MIN PRE IN	72875	930812	232700	930826	I	01	0109170	42.13	.00	42.13
MIN PRE IN	73278	930908	241774	930917	I	01	0113570	76.32	.00	76.32
MIN PRE IN	73560	930923	249982	931006	I	01	0117362	42.13	.00	42.13
MIN PRE IN	73727	931004	257933	931107	P	01	0123552	42.13	.00	42.13
MIN PRE IN	74160	931029	301189	940126	I	01	0140320	630.84	.00	630.84
MIN PRE IN	74425	931116	283671	931220	P	01	0132438	42.13	.00	42.13
MIN PRE IN	74610	931129	283674	931231	S	01	0134391	651.90	.00	651.90
MIN PRE IN	74632	931130	309322	940216	I	01	0143692	47.75	.00	47.75
MIN PRE IN	74929	931216	291328	940119	P	01	0138031	42.13	.00	42.13
MIN PRE IN	75003	931222	296056	940114	I	01	0138031	38.16	.00	38.16
TOTAL								1,706.50	.00	1,706.50
MOB COM	930151	930921	260737	931027	I	01	0121964	1,700.00	.00	1,700.00
TOTAL								1,700.00	.00	1,700.00
MOM INC	121093	931210	292107	931211	P	01	0136021	943.40	.00	943.40
TOTAL								943.40	.00	943.40
MOR MOR	082793	930827	235796	930903	I	01	0110973	79.00	.00	79.00

130412
= to 12,462.02 Kennedy

500.00

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Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



12/08/80

130412

Chase Manhattan Bank, N.A.
Synagogue, New York

00-432913

PAY Twelve thousand four hundred sixty-two dollars and 02/100

\$12,462.02

TO THE
ORDER OF

ELLIOTT MILLENSON
523 GOLF LINKS DRIVE
BRIDGEWATER NJ 08807

Camille M. Trecheur
Thomas P. [Signature]
AUTHORIZED SIGNATURE

01304120 0213093790 606-2-346850

0001246202

VHIS01

ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY

ELLIOTT MILLENSON

CORP 900
577701553
ID =

SUSPENSE -
CURR-HIST -
PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DUE-DT	CHK-DT	CHK-NO	PO-NBR	NET-AMT
900	460716	100994	3	100994	110494	110794	0200135		177.66
						14-53025-541000			104.66
						14-53025-543500			73.00
900	458106	102694	3	102694	110194	110294	0199086		5,150.00 ✓
						14-53025-541000			5,150.00
900	457149	102494	3	102494	102894	103194	0198727		32.63
						14-53025-541000			32.63
900	457152	102494	3	102494	102894	103194	0198727		3,027.31
						14-53025-541000			2,382.88
						14-53025-543500			450.75
						14-53025-543000			193.68
900	452960	093094	3	093094	102194	102494	0197403		777.51
						14-53025-541000			713.52
						14-53025-543000			63.99
900	452175	101694	3	101694	102094	102194	0197074		405.23

PA1-FW PA2-BW PF6-VNM9 PF7-VIN9 CORP: 900 ENTER VENDOR-NO AND/OR CHECK-DATE:

97043850435

* Hastings
Salmon
Bilbray
Ehrlich
Chabot
Schooler.

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Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



11/02/04

199086

Chase Manhattan Bank, N.A.
Syracuse, New York

68-07811

PAY Five thousand one hundred fifty dollars and no cents

\$5,150.00

CHECKS OVER \$7500.00 REQUIRE THIS SIGNATURE

TO THE
ORDER OF

ELLIOTT MILLENSON
15 WASHINGTON CLUB ROAD
FAR HILLS NJ 07831

⑆0199086⑆ ⑆021309379⑆ 601-2-34685⑆

⑆0000515000⑆

27043850437

NY 100
FBI OFFICE

01077534

NOV 07 10 08 AM '68

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NOV 07 10 08 AM '68

NOV 07 10 08 AM '68

NOV 07 10 08 AM '68

199086

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VHIS01
ELLIOTT MILLENSON

ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY

CORP 900
577701553
ID =

SUSPENSE =
CURR-HIST =
PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DUE-DT	CHK-DT	CHK-NO	PO NBR	NET-AMT
900	381089	051894	3	051894	061494	061594	0171234		873.04
900	380486	050894	3	050894	061394	061494	0171042		113.65
900	373743	051994	3	051994	060294	060394	0168931	(A)	2,041.25
900	370522	050494	3	050494	052694	052794	0167544		1,318.50
900	370527	051294	3	051294	052694	052794	0167544		726.65
900	363259	040894	3	040894	051694	051794	0164809		101.36
900	359690	033094	3	033094	051094	051194	0163375		258.90
900	357513	042794	3	042794	050694	050994	0162691	check #162691 N.E. 2,92.94	550.00
900	357702	042894	3	042894	050694	050994	0162691		1,271.94
900	357703	042394	3	042394	050694	050994	0162691		571.00
900	354935	040894	3	040894	050394	050494	0161835		1,185.00
900	354937	042094	3	042094	050394	050494	0161835		916.38
900	355067	041594	3	041594	050394	050494	0161835		36.57
900	352688	041494	3	041494	042894	042994	0160913		913.74
900	350727	022194	3	022194	042694	042794	0160137	check #160137	800.48

PA1-FW PA2-BW PF6=VNM9 PF7=VIN9 CORP: 900 ENTER VENDOR-NO AND/OR CHECK-DATE:

920.51
\$1720.94

- (A) Lending
- (B) Gaxsp & Harkins
- (C) New American Century Fund

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27043850438

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Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



08/03/84

168931

Chase Manhattan Bank, N.A.
Synthetic, New York

88-037/013

PAY *Two thousand forty-one dollars and 25/100*

\$2,041.25

CHEQUES OVER \$7500.00 REQUIRE TWO SIGNATURES

TO THE
ORDER OF

ELLIOTT MILLENSON
15 WASHINGTON CLUB ROAD
FAR HILLS NJ 07831

Thomas E. [Signature]
AUTHORIZED SIGNATURE

⑆0168931⑆ ⑆021309379⑆ 606⑆ 2⑆ 34685⑆

⑆0000204125⑆

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Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08860



05/02/94

162891

Chemical Bank, N.A.
Spencer, New York

NY-00011

PAY Two thousand one hundred ninety-two dollars and 96/100

\$2,192.94

CHARGE OVER \$7500.00 PLEASE SIGNATURES

TO THE
ORDER OF ELLIOTT MILLENSON
15 ABBINGTON COLLEGE ROAD
EAR HILLS NJ 07801

Thomas E. Spitzer
AUTHORIZED SIGNATURE

⑆016269⑆ ⑆021309379⑆ 601-2-34685⑆

⑆0000219294⑆

W. H. White

162691

97043850442

24217069

POSTOFFICE

MAY 94
 NATIONAL
 TRUST
 BANK OF N.Y.
 CITY
 N.Y.

MAY 94

OFFICE
 13039120

POSTOFFICE

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Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08860



04/27/84

160137

One Manhattan Park, N.A.
Syosset, New York

AY One thousand seven hundred twenty dollars and 99/100

\$1,720.99 ✓

TO THE ORDER OF
ELLIOTT MILLERSON
883 GOLF LINKS DRIVE
BRIDGEWATER NJ 08807

Thomas P. [Signature]
AUTHORIZED SIGNATURE

⑆0160137⑆ ⑆021309379⑆ 601-2-34685⑆

⑆950271000⑆

For deposit only
[Signature]

160137

97043850444

NY NY 10 01 01
PAYEE BANK IN
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NY STATE
NY STATE

3540 0813 07 7 04

02120000
PAYEE BANK IN
NY STATE
NY STATE
NY STATE

MAY 10 1964

NY NY 10

02120000-1

100181501

VHIS01

ACCOUNTS PAYABLE -- SUSPENSE/PAID HISTORY

ELLIOTT MILLENSON

CORP 900
577701553
ID =

SUSPENSE =
CURR-HIST =
PRI-HIST = 109,951.00

CO	VOUCHER	INVOICE	TP	INV-DT	DUE-DT	CHK-DT	CHK-NO	PO-NBR	NET-AMT
					14-53025-591000				405.23
900	450733	101294	3	101294	101894	101994	0196473		179.66
					14-53025-541000				46.66
					14-53025-543000				133.00
900	450736	101394	3	101394	101894	101994	0196473		25.15
					14-53025-543500				25.15
900	448098	100494	3	100494	101394	101494	0195641		19.00
					14-53025-543000				19.00
900	445520	100394	3	100394	100794	101094	0194646	<i>Abzviniski</i>	250.00
					14-53025-650000				250.00
900	445525	092794	3	092794	100794	101094	0194646		1,373.83
					14-53025-541000				1,335.85
					14-53025-543500				27.50
					14-53025-543000				10.48
900	445533	092794	3	092794	100794	101094	0194646		811.45

PA1-FW PA2-BW PF6-VNM3 PF7-VIN9 CORP: 900 ENTER VENDOR-NO

AND/OR CHECK-DATE: *2435.28*
check #194646

27043850445

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Ortho Pharmaceutical Corp.
Route 202 South
Raritan, New Jersey 08869



10/10/84

194646

Chase Manhattan Bank, N.A.
Spring, New York

00-000010

PAY Two thousand four hundred thirty-five dollars and 28/100

\$2,435.28

CHECKS OVER \$750.00 REQUIRE TWO SIGNATURES

TO THE
ORDER OF
ELLIOTT MILLENSON
16 WASHINGTON CLUB ROAD
FARM HILLS, N.J. 08031

[Handwritten signature]

⑆0194646⑆⑆021309379⑆ 601-2-34685⑆

⑆0000243528⑆

97043850448

HEALTH POLICY & RESEARCH FOUNDATION BRUCE B. DECKER, PRESIDENT P.O. BOX 891458 (310) 659-8899 WEST HOLLYWOOD, CA 90068		10-06/1225	2559
PAY TO THE ORDER OF <u>BB</u>		<u>2/10</u> 19 <u>95</u>	\$ <u>2000</u>
<u>TWO THOUSAND & 00/100</u>			DOLLARS
 Bank of America West Hollywood Branch 0239 (310) 247-3888 8821 Santa Monica Boulevard West Hollywood, CA 90068		<u>B. Decker</u>	
MEMO <u>Retiring contrib</u>			
⑆ 2200066 ⑆ ⑆ 2559 ⑆ 00394 ⑆ 09546 ⑆			

AUDIOTAPE OF VOICE MAIL MESSAGE
FROM JIM BARR TO GARY PARLIN

27043850449
Gary, Jim Barr. I wanted to follow-up and tell you that I did a follow-up myself on DAD and political contributions. I was in Puerto Rico last week so I hadn't had a chance to get to it til today. After our last conversation, if you remember, I had said I could have sworn there was a couple more political contributions that occurred in the month of October before I had left and you had said that when you reviewed fourth quarter expense reports you hadn't seen those. I called over to Direct Access and was talking with the folks and they were calling me back and forth on this issue and there was a couple of October ones which I had approved, which after our conversation now I know was directly against what you had recommended and I take full responsibility for approving these without discussing them with you but there were three or four contributions in the month of October that for some reason you did not get a copy of. I just think it was a paperwork screw-up on Direct Access in terms of clerically they just didn't make a copy of those. I apologize for this, but I did want to make you aware of this as soon as I had it clarified and understood what happened in my mind. Again, its my responsibility and I screwed up and I hate to dump this on you while you're on vacation but as soon as I heard about it I thought it was important that I leave this message for you. For your info and hopefully we can talk about this when you get back and again I apologize and its my responsibility.

End of message.

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**DIRECT ACCESS DIAGNOSTICS
CONTRIBUTIONS MADE IN 1993 AND 1994**

Organization	Amount	Payment Method	Check Number	alDAR	Approved Gary Parlin
Data Per Gary Parlin's memo 1/13/95					
February 1994 October 1994 October 1994	AIDS Healthcare Foundation \$5,000.00 15,000.00 20,000.00	Check Requisition Check Requisition Check Requisition	143057 197049 198008	J. Barr E. Millenson E. Millenson	
July 1994 October 1994	AIDS Service Center Friends for Marjorie M. Mezvinsky - incorrect in memo 1,000.00 250.00	Expense Report - E. Millenson Expense Report - E. Millenson			Yes No
June 1993	AmFar 5,000.00	Check Requisition	091136	E. Millenson	
June 1994 June 1994	Being Alive 500.00 500.00	Invoice from Strubco Invoice from Strubco	169816	E. Millenson E. Millenson	
June 1994 September 1994	Broadway Cares/Equity Fights AIDS 500.00 5,000.00	Invoice from Strubco Check Requisition	169821 189961	E. Millenson E. Millenson	
April 1994	Center One 5,000.00	Check Requisition	148334	J. Barr	
July 1994	Citizens Action Awards Dinner 2,500.00	Check Requisition	8900262	E. Millenson	
December 1994	Coalitions For America 35,000.00	Check Requisition	207829	E. Millenson	
October 1994	Committee for American Progress 5,000.00	Check Requisition	185084	E. Millenson	
August 1994 December 1994	Communitarian Network(Project) 5,000.00 15,000.00	Check Requisition Check Requisition	161464 207828	J. Barr E. Millenson	
June 1994	Empire State Pride Agenda 500.00	Invoice from Strubco	169822	E. Millenson	
July 1994 September 1994	Florida Consumer Action Foundation 2,500.00 4,000.00	Check Requisition Check Requisition	180205 190725	E. Millenson E. Millenson	
August 1993	Foundation of Pharmacists and Corporate America for AIDS Education 2,500.00	Check Requisition	106310	E. Millenson	
April 1994 September 1994	Gay & Lesbian Adolescent Social Services 3,000.00 2,000.00	Check Requisition Check Requisition	159064 189957	J. Barr E. Millenson	

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**DIRECT ACCESS DIAGNOSTICS
CONTRIBUTIONS MADE IN 1993 AND 1994**

Date	Organization	Amount	Payment Method	Check Number	Approved
July 1994	Henry M. Jackson Foundation Fund	700.00	Check Requisition	178198	W. Strongin
October 1994	Human Rights Campaign Fund	1,050.00	Check Requisition	183973	E. Millenson
June 1994	Love Heals	500.00	Invoice from Strubco	169817	E. Millenson
June 1994	Minority AIDS Project	500.00	Check voided reissued to Being Alive		
August 1994		100.00		Check Requisition	
August 1993	National Council of LaRaza	5,000.00	Check Requisition	102293	E. Millenson
March 1994		7,500.00	Check Requisition	153189	E. Millenson
November 1993	National Gay and Lesbian Task Force	3,000.00	Check Requisition		J. Barr
September 1994	National Lesbian & Gay Journalists Assoc.	3,000.00	Invoice M2362 Strubco		Millenson & Barr
May 1994	New York in '94 (Gay Games)	5,000.00	Check Requisition	163676	Millenson & Barr
June 1994	People with AIDS Coalition	500.00	Invoice from Strubco	169620	E. Millenson
June 1994	Phoenix Body Positive	500.00	Invoice from Strubco	169613	E. Millenson
January 1994	Physicians Association for AIDS Care	1,000.00	Invoice A2087	138612	Millenson & Barr
September 1994		2,000.00	Check Requisition	166399	E. Millenson
December 1994	Progress & Freedom Foundation	30,000.00	Check Requisition	207445	E. Millenson
July 1994	Resource Center for Women and Their Families	400.00	Check Requisition	177242	J. Barr
June 1994	Safe Space	500.00	Invoice from Strubco	169619	E. Millenson
June 1994	Serra Project	500.00	Invoice from Strubco	169612	E. Millenson
June 1994	S.W. Community Based AIDS Treatment Group (COMBAT)	500.00	Invoice from Strubco	169610	E. Millenson
		1,000.00	Invoice from Strubco	169611	E. Millenson
December 1994	University of Michigan School of Law	15,000.00	Check Requisition	9900292	E. Millenson
June 1994	Visual AIDS	500.00	Invoice from Strubco	169618	E. Millenson

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**DIRECT ACCESS DIAGNOSTICS
CONTRIBUTIONS MADE IN 1993 AND 1994**

Date	Organization	Amount	Payment Method	Check Number	Approved at DAD	Approved Gary Parlin
Political Contributions						
May 1994	Garst for Senate	100.00	Expense Report - E. Millenson			
May 1994	Harkin for Senate	250.00	Expense Report - E. Millenson			Yes
November 1993 Orig. noted as 3/94	Kennedy for Senate	2,000.00	Expense Report - E. Millenson, M. Blosser, J. Barr and W. Pagels at \$500 each for a dinner.			Yes Yes for E.M.
June 1994	Stan Lundine -NY Lieutenant Governor	2,000.00	Expense Report - E. Millenson			
Total Contribution		\$217,850.00				No.

Contributions to Health Policy & Research Foundation (HPRF)

1993

February 1993	1,000.00	Check Requisition	071823	R. Stricklin
March 1993	1,000.00	Check Requisition - For March '93	074844	E. Millenson
April 1993	1,000.00	Check Requisition - For April '93	087001	E. Millenson
May 1993	1,000.00	Check Requisition - For May '93	086401	E. Millenson
June 1993	1,000.00	Check Requisition - For June '93	087940	E. Millenson
July 1993	500.00	Check Req - Additional For June '93	091636	E. Millenson
May 1993	1,500.00	Check Requisition - For July '93	098794	E. Millenson
June 1993	2,500.00	Check Req - Int'l AIDS Conference	091513	E. Millenson
July 1993	1,500.00	Check Requisition - For August '93	095376	E. Millenson
September 1993	1,500.00	Check Requisition - For September '93	102701	E. Millenson
September 1993	1,500.00	Check Requisition - For October '93	110398	E. Millenson
October 1993	1,500.00	Check Requisition - For November '93	114762	J. Barr
November 1993	5,000.00	Check Req - Bette Midler AIDS Fundrais	120574	J. Barr
December 1993	1,500.00	Check Requisition - For December '93	126484	J. Barr
December 1993	12,000.00	Check Req - London Vaccine Conferenc	133780	J. Barr
December 1993	1,300.00	Check Requisition - Additional Contributi	133865	J. Barr
December 1993	8,000.00	Check Requisition - For January '94	133884	J. Barr

Total 1993 HPRF - Monthly Contributions **\$41,300.00**

**Previously submitted \$41,800 to Gary Parlin

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**DIRECT ACCESS DIAGNOSTICS
CONTRIBUTIONS MADE IN 1993 AND 1994**

Date	Organization	Amount	Payment Method	Check Number	ALDAD	Approved Gary Parlin
Contributions to Health Policy & Research Foundation (HPRF) - cont.						
1994						
February 1994						
March 1994		12,000.00	Check Requisition	140850/144194	J. Barr	
May 1994		6,000.00	Check Requisition	149456	J. Barr	
June 1994		12,000.00	Check Requisition	162330/163674	Millenson & Barr	
July 1994		12,000.00	Check Requisition	169516/174192	E. Millenson	
August 1994		19,800.00	Check Requisition	80184/178886/18294	E. Millenson	
September 1994		1,800.00	Check Requisition	188051	E. Millenson	
October 1994		10,200.00	Check Requisition	190882/193079	E. Millenson	
November 1994		6,000.00	Check Requisition	198319	E. Millenson	
December 1994		6,000.00	Check Requisition	202888	E. Millenson	
		9,400.00	Check Requisition	207394/207442	E. Millenson	

*Includes contributions for +10 days taken from HPRF 1994 Travel Invoices

Contributions Made by HPRF Reimbursed by DAD

Political Organization

November 1994	Kathleen Brown	200.00	Invoice from HPRF	20536	E. Millenson
November 1994	CAL Victory '94	2,000.00	Invoice from HPRF	20536	E. Millenson
November 1994	Carole Migden	300.00	Invoice from HPRF	20536	E. Millenson
November 1994	Tony Miller	3,750.00	Invoice from HPRF	20536	E. Millenson
September 1994	Torres Committee	500.00	Invoice from HPRF	193079	E. Millenson

Non-Political Organization

February 1994	AIDS Action Council	5,000.00	Check Requisition	144193	J. Barr
July 1994	AIDS Project Los Angeles	1,000.00	Invoice from HPRF	176996	E. Millenson
November 1994	Being Alive	1,500.00	Invoice from HPRF	20536	E. Millenson
December 1994	Divine Design/DIFFA	1,000.00	Invoice from HPRF	207442	E. Millenson

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**DIRECT ACCESS DIAGNOSTICS
CONTRIBUTIONS MADE IN 1993 AND 1994**

Date	Organization	Amount	Payment Method	Check Number	ALOAD	Approved Gary Parlin
Non-Political Organization (cont)						
December 1994	Gay & Lesbian Adolescent Social Services	500.00	Invoice from HPRF	207442	E. Millenson	
August 1994	Gay & Lesbian CSC	350.00	Invoice from HPRF	182949	E. Millenson	
August 1994	Gay Men's Health Crisis	1,000.00	Invoice from HPRF	182849	E. Millenson	
July 1994	Human Rights Campaign Fund	1,200.00	Invoice from HPRF	141338	E. Millenson	
August 1994	Log Cabin	300.00	Invoice from HPRF	182949	E. Millenson	
September 1994	PAWS	1,000.00	Invoice from HPRF	193079	E. Millenson	
September 1994	Project Angel Food	12,500.00	Invoice from HPRF	192159	E. Millenson	
December 1994	Search Alliance	1,000.00	Invoice from HPRF	207442	E. Millenson	
August 1994	SHANTI	500.00	Invoice from HPRF	182949	E. Millenson	
July 1994	Wolf	500.00	Invoice from HPRF	152165	E. Millenson	
<u>Sub-Total to HPRF</u>		\$170,800.00				
<u>Total Contributions per G. Parlin memo 1/13/95</u>		\$388,450.00				

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**DIRECT ACCESS DIAGNOSTICS
CONTRIBUTIONS MADE IN 1993 AND 1994**

Date	Organization	Amount	Payment Method	Check Number	Approved Gary Parlin
Additional Contributions - Excluded from G. Parlin's memo					
April 1994	New American Century Fund <i>Reimb</i>	500.00	Expense Report - Elliott Millenson		Yes
June 1994	AmFar	235.00	Expense Report - Elliott Millenson		Yes
October 1994	Human Rights Campaign Fund	350.00	Expense Report - W. Martin	E. Millenson	
Political Contributions					
October 1994	Hastings for Congress <i>Reimb by gm</i>	1,000.00	Expense Report - Elliott Millenson		No
October 1994	Matt Salmon for Congress <i>"</i>	1,000.00	Expense Report - Elliott Millenson		No
October 1994	Bilbray for Congress <i>reimb by gm</i>	1,000.00	Expense Report - Elliott Millenson		No
October 1994	Ehrlich for Congress <i>"</i>	1,000.00	Expense Report - Elliott Millenson		No
October 1994	Chabot for Congress <i>"</i>	1,000.00	Expense Report - Elliott Millenson		No
October 1994	Citizens for Stuart Schooler	150.00	Expense Report - Elliott Millenson		No
<i>**The above 6 contributions totalling \$5150 were on 1 expense report</i>					
September 1994	Re-elect Supervisor Carole Migden	100.00	Expense Report - W. Martin	E. Millenson	
August 1994	Center for Policy Research	5,000.00	Expense Report - Elliott Millenson		Yes
Total Additional Contributions		\$11,335.00			

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**DIRECT ACCESS DIAGNOSTICS
CONTRIBUTIONS MADE IN 1993 AND 1994**

Date	Organization	Amount	Payment Method	Check Number	Approved
Additional Contributions - Excluded from G. Parlin's memo (cont)					
Additional Contributions made to HPRF					
1993					
Charges for Travel Expenses					
	London (August 10-14, 1993)	2,720.30	Invoice from HPRF	106695	E. Milenson
	May '93 Expenses	2,279.00	Invoice from HPRF	086148	E. Milenson
	June '93 Expenses	2,348.31	Invoice from HPRF	097167	E. Milenson
	August 10-14, 1993 Expenses (San Francisco)	1,050.78	Invoice from HPRF	110755	E. Milenson
	August 19-20, 1993 (New York City)	1,815.09	Invoice from HPRF	113563	J. Barr
	September 20-30, 1993 Expenses	5,446.00	Invoice from HPRF	121050	J. Barr
	October 14-20, 1993 (London)	3,090.33	Invoice from HPRF	125819	Milenson & Barr
	October 24/25, 1993 (San Francisco)	1,341.00	Invoice from HPRF	127562	Milenson & Barr
	October 27/Nov 1, 1993 (Washington D.C.)	5,573.32	Invoice from HPRF	128293	Milenson & Barr
	November 7-10, 1993 (Washington D.C.)	3,429.45	Invoice from HPRF	128293	J. Barr
	December 1-13, 1993 (Washington/NY)	5,566.61	Invoice from HPRF	137271	Milenson & Barr
	December 10, 1993	25,000.00	Check Requisition	131945	Milenson & Barr
Total 1993 HPRF Travel Reimbursement Expense:				\$60,660.28	
1994					
Charges for Travel Expenses - part of total invoice					
	Fire Island Conference - July 1994	17,000.00	Check Requisition	177038	E. Milenson
	January Expenses	19,341.57	Invoice from HPRF	141339	Milenson & Barr
	February Expenses	18,110.56	Invoice from HPRF	152165	Milenson & Barr
	March-April Expenses	19,822.44	Invoice from HPRF	51825/159217/15971	Milenson & Barr
	May Expenses	15,970.03	Invoice from HPRF	63777/168571/17085	Milenson & Barr
	June Expenses	16,245.74	Invoice from HPRF	174214/176996	Milenson
	July Expenses	8,489.00	Invoice from HPRF	182949	Milenson
	August Expenses	16,138.18	Invoice from HPRF	188051	Milenson
	September Expenses	40,907.17	Invoice from HPRF	193079/192158	Milenson
	October Expenses	53,986.99	Invoice from HPRF	202112/200536	Milenson
	November Expenses	19,345.75	Invoice from HPRF	207392/207442	Milenson
Total 1994 HPRF Travel Reimbursement Expense:				\$244,467.73	
Total for HPRF		\$475,728.01			
Grand Total Contributions		\$704,913.01			

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2.

WORLDWIDE POLICY

DOMESTIC U.S.A. ONLY

Political Activities and Contributions

The Company encourages employees to be involved personally in political affairs. However, no employee shall directly or indirectly use or contribute funds or assets of the Company for or to any political party, candidate or campaign, unless such a use or contribution is an accepted practice and lawful in the country involved and is approved by the appropriate Company Group Chairman.

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JOHNSON & JOHNSON EMPLOYEES' GOOD GOVERNMENT FUND

ARTICLES OF ORGANIZATION

ARTICLE I

There is hereby established the Johnson & Johnson Employees' Good Government Fund (hereinafter called the "GGF").

ARTICLE II

PRINCIPAL OFFICE AND ADDRESS

The principal office of the GGF shall be located at Johnson & Johnson World Headquarters, One Johnson & Johnson Plaza, New Brunswick, NJ 08933.

ARTICLE III

ORGANIZATION

The GGF shall be a voluntary, nonprofit, unincorporated, separate segregated fund established by Johnson & Johnson. The GGF shall be independent of any political party, candidate, or organization except that Johnson & Johnson shall defray the costs and expenses incurred in the establishment and administration of, and in the solicitation of contributions to, the GGF. The GGF shall be managed by the GGF Advisory Board (hereinafter called the "Board").

ARTICLE IV

PURPOSES

The GGF is organized to protect, preserve, and further both the general interests of industries in which Johnson & Johnson is engaged, and specifically the interests of Johnson & Johnson, its stockholders, and employees. The GGF is also dedicated to enhancing the government relations presence within the United States Congress and state legislatures.

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To achieve these purposes, the GGF, as allowed by law, is organized to solicit and receive voluntary political contributions from eligible employees of Johnson & Johnson or any of its domestic franchise subsidiaries (employees of Puerto Rico subsidiaries are excluded), and from persons who are stockholders of Johnson & Johnson, and who are U.S. citizens, or, if not U.S. citizens, are lawfully admitted for permanent residence in accordance with the United States Immigration and Naturalization Act.

To receive a contribution, candidates shall meet one or more of the following guidelines:

1. The candidate currently represents a Johnson & Johnson facility location.
2. The candidate has expressed the need for financial support.
3. The candidate is a member of a standing committee deemed to be important to Johnson & Johnson.
4. The candidate's voting record or philosophy favors business interests.
5. The candidate's voting record or philosophy supports the Johnson & Johnson Family of Companies' interests.
6. The candidate has provided constituent support service, i.e., information on legislation, participation in company programs, plant tours, or assistance in solving government relations problems.
7. The candidate's election efforts have a reasonable chance of success.

The GGF may expend such contributions to support the nomination for election, and the election of candidates for federal, state, or local office, and may make contributions to any affiliated committees established under the laws of any state for candidates for state or local political office. In carrying out the foregoing, the GGF is authorized to make expenditures for contributions, within legal limits, to the candidates and/or the campaign committees of candidates or political parties. The GGF shall not, however, be affiliated with any specific political party.

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ARTICLE V**CONTRIBUTIONS**

Section 1. **Voluntary Contributions.** All contributions to the GGF shall be voluntary, and no contributions to the GGF shall be solicited or secured by job discrimination or financial reprisal, or by the threat of job discrimination or financial reprisal, or as a condition of employment by Johnson & Johnson or any of its subsidiaries. The privacy of all contributors to the GGF shall be maintained to the extent reasonably practicable (except where disclosure is required by law) to the same extent as other payroll information. No contribution will be accepted if made by one person in the name of another person.

Section 2. **Vacancy of Treasurer.** No contribution shall be accepted, nor will any expenditure be made, by or on behalf of the GGF, at a time when there is a vacancy in the office of Chairman, Treasurer, or Assistant Treasurer of the GGF.

Section 3. **Personal Use of GGF Funds.** No contributor to the GGF will have property rights in the monies or assets of the GGF upon its dissolution, or at any other time. In the event of the death of an individual contributor or termination of his status as an eligible contributor, no monies previously contributed by him/her shall be refunded to him/her or to his/her estate.

Section 4. **Form of Contributions.** No contributions of cash or currency will be accepted, regardless of the amount. Contributions will be accepted only in the form of personal checks, money orders, or through payroll deductions.

Section 5. **Foreign Nationals.** No contributions shall be accepted from foreign nationals as that term is defined in 11 C.F.R.110.4(a).

Section 6. **Solicitations.** No contribution shall be solicited except in a manner consistent with Federal Election Commission (hereinafter called the "FEC") regulations.

Section 7. **Contributor Requirements.** Contributors must meet all solicitation eligibility requirements including those established by the FEC and the GGF Board. All contributors must be United States citizens or persons lawfully admitted for permanent residency in the United States. Contributors will be deemed to be members of the GGF for a one (1) year period from the date of their contributions, or the date of sign-up for contributions made through payroll deductions.

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ARTICLE VI**SEPARATE SEGREGATED FUND**

All contributions to the GGF shall be maintained by the GGF in separate segregated funds, and all contributions to any federal candidate or political committee shall be made from such funds and from no other source. Contributions to state and local candidates or committees may be made from either GGF monies or from separate and unrelated corporate funds, as allowed by state laws.

ARTICLE VII**OFFICERS AND EX-OFFICIO MEMBERS**

Section 1. **Officers.** The officers of the GGF shall be a Chairman, Vice Chairman, Secretary, Treasurer, and Assistant Treasurer. The Chairman and Vice Chairman shall be elected by vote of the GGF Board and the Treasurer and Assistant Treasurer shall be appointed by the Vice President, Government Affairs and Policy (Corporate Staff). The Board may appoint such other officers as it shall deem necessary and who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 2. **Membership in GGF.** All officers must at all times be members of the GGF with the exception of the Assistant Treasurer and Secretary. Should an officer cease to be a member, he or she must resign his or her position, whereupon a replacement will then be elected from the remaining GGF Board.

Section 3. **Chairman.** The Chairman shall be the Chief Executive Officer of the GGF, shall administer the affairs of the GGF, and shall chair the Board meetings. The Chairman or his or her designee shall have the authority to call meetings of the Board. In the case of the absence of the Chairman or inability to act, the Vice Chairman shall automatically succeed to the office of Chairman until the Chairman can resume his or her duties or a new Chairman can be elected.

Section 4. **Vice Chairman** The Vice Chairman shall assist the Chairman in the affairs of the GGF. In the absence or disability of the Chairman, the Vice Chairman or his or her designee shall have the authority to call meetings of the Board.

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Section 5. **Treasurer.** The Treasurer shall be an employee of the Corporate Government Relations Staff and shall be the Chief Financial Officer of the GGF. The Treasurer shall be responsible for the care and custody of all funds collected by the GGF and the authorization of all expenditures of the GGF. The Treasurer shall cause all funds to be deposited in a bank or other financial institution which he or she shall designate, and shall cause all books of account to be kept in proper order, subject to the provision of these Articles of Organization. The Treasurer shall be responsible for the preparation, signing, filing, and maintenance of copies of all reports of the GGF required by law. The Treasurer shall also be responsible for the preparation of an annual report of the receipts of and distributions made by the GGF.

Section 6. **Assistant Treasurer.** The Assistant Treasurer shall be an employee of the Corporate Government Relations Staff and shall be an ex-officio member of the GGF. The Treasurer shall appoint the Assistant Treasurer. In the absence or inability of the Treasurer to act, or upon the occurrence of a vacancy in the office of the Treasurer, the Assistant Treasurer shall perform the duties and exercise the powers and authorities of the Treasurer until such time as the Chairman appoints a new Treasurer from Corporate Government Relations.

Section 7. **Secretary.** The Secretary shall prepare and keep proper records pertaining to such office. The Secretary shall give notice of the meetings of the GGF Board and shall keep records of the decisions made by the Board.

ARTICLE VIII

GGF ADVISORY BOARD

Section 1. **General Authority.** The business and affairs of the GGF shall be managed by and under the direction of the Board, which may exercise all such powers of the GGF. In addition, the Board shall review and will have final approval of the contributions budget submitted by the Johnson & Johnson Government Relations management.

Section 2. **Composition of the Board.** The GGF Board shall be comprised of representatives from the Johnson & Johnson Family of Companies, including Worldwide Headquarters, along with the Treasurer and a standing member from State and Federal Government Relations.

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The GGF Board shall strive to have representation on the Board from all of the Johnson & Johnson Family of Companies to the extent reasonably practicable. The composition of the Board may be changed from time to time by the Board in accordance with the size, composition, and corporate status of these companies.

The Board may appoint one or more sub-committees of the Board as it deems appropriate.

Section 3. Election of Chairman. The Chairman of the GGF Board shall be elected from the Board. Any member who has served on the Board for at least one year shall be eligible to be elected as Chairman. GGF officers may hold concurrent officer positions but may have only one vote for voting purposes.

Section 4. Changes in Representation. All persons elected to the GGF Board must at all times be members of the GGF. In the event an elected Board member should, as a result of a transfer, change in position, or change in Johnson & Johnson's organizational structure, cease to represent the Franchise company for which he or she was elected, the affected Board member shall serve the remainder of his/her term, whereupon a new individual from the Franchise company lacking representation shall be appointed by the Franchise company President during the election cycle.

Section 5. Membership in the GGF. Should a member of the Board cease to be a member of the GGF, he or she must immediately resign his or her position, whereupon a new representative will be appointed by the respective Franchise company President.

Section 6. Legal Representation. An attorney from Johnson & Johnson's Legal Department shall provide legal advice to the GGF Board and attend meetings, but shall not be a voting member of the Board.

Legal counsel will also advise the GGF Treasurer and will be responsible for the following:

1. Interpreting state and federal election laws and regulations.
2. Monitoring Political Action Committee-related actions by state and federal election commissions and interpret implications of those actions to the GGF.

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3. Representing the GGF during any proceedings or discussions with state and federal election commissions.
4. Reviewing correspondence from the GGF Treasurer to state and federal election commissions.

ARTICLE IX

TERMS OF SERVICE

Section 1. Term of Board Members. With the exception of the Treasurer and Assistant Treasurer, GGF Board members shall serve for a term of two (2) years or until such time as they are no longer members of the GGF, whichever is shorter, with the right of re-appointment. The Treasurer and Assistant Treasurer will serve indefinite terms. The Chairman, Vice Chairman, and Secretary shall be elected for a two (2) year term and shall be eligible for re-election in successive terms. Elections to fill these positions shall be held at the conclusion of the GGF Board election in the relevant year.

Section 2. Replacement of Board Members. Board members who resign or who are removed for cause will be replaced by the respective Franchise company President.

Section 3. Successive Terms. GGF Board members will be allowed to serve unlimited successive terms.

ARTICLE X

CONTRIBUTIONS

Section 1. Contributions. Contributions will be made only to:

- (1) to individuals who have publicly announced that they are candidates for nomination or election to local, state, or federal elective public offices in primary, general, or special elections for use by such individuals to further their candidacies; provided, however, that such individuals are qualified to hold such offices; or

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(2) to committees, associations, or organizations organized and operated exclusively for the purpose of influencing, or attempting to influence, the nomination or election of one or more individuals described in (1) above, for use by such committee, association or organization to further the candidacy of such individuals or individuals; or

(3) to affiliated or non-affiliated committees organized under state or federal laws to make expenditures for or contributions to candidates and/or candidate committees in state elections; or

(4) to others for reasonable and customary expenses incurred by such individuals in furtherance of the goals of the GGF.

Contributions of GGF monies to support the retirement of state and federal campaign debts shall be prohibited.

Section 2. Approval of Contributions. All contributions from the GGF must be approved by the Chairman or, in his or her absence, the Vice Chairman of the Board.

Section 3. Form of Contribution. Any contribution made by the GGF shall be by check on an account of the GGF and signed by the Treasurer.

ARTICLE XI

ADOPTION AND AMENDMENTS

Section 1. Effective Date. These Articles shall be effective the date they are adopted.

Section 2. Amendment of Articles. These Articles may be amended from time to time by action of a majority of the Board, provided, however, that no amendments shall be made that would be in violation of, or in contravention of, applicable law. Proposed amendments to Article X must be presented to the Board two weeks prior to any Board action to adopt any such amendment.

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ARTICLE XII**DISSOLUTION**

Although the duration of the GGF is to be perpetual, the GGF may be dissolved at any time by action of the Board or by the Johnson & Johnson Board of Directors. In the event of such dissolution, all surplus funds of the GGF shall be promptly distributed to candidates or committees in a manner consistent with Article X hereof and for the purposes set forth in Article IV hereof, unless such distribution would violate any law, in which event the GGF Board shall cause such funds to be distributed in a manner which does not violate any law after consultation with legal counsel.

ARTICLE XIII**MISCELLANEOUS**

Section 1. **Annual Audit.** The Chairman shall have prepared an annual audit of the GGF account each year and the results shall be presented to the Board.

Section 2. **Execution of Instruments, etc.** All instruments, contracts, and other documents may be executed on behalf of the GGF by the Chairman or the Vice Chairman or by any other person or persons designated in writing from time to time by the Board or the Chairman or Vice Chairman.

February 2, 1995

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3.

Complete Index of Johnson & Johnson Documents

Type of Document	Date	Length
1. Fax from Decker to Millenson Re: fundraiser for Senator Ted Kennedy	11-11-93	1 page
2. Expense report of Millenson signed by Barr seeking reimbursement for contribution to the Kennedy for Senate Dinner and copy of \$500 check payable to Kennedy for Senate	11-12-93	3 pages
3. Expense report of Millenson signed by Barr and Parlin seeking reimbursement for contribution to the Kennedy for Senate Dinner and copy of \$500 check payable to Kennedy for Senate	11-12-93	2 pages
4. Expense report of Barr signed by Millenson seeking reimbursement for contribution to the Kennedy for Senate Dinner and copy of \$500 check payable to Kennedy for Senate	11-12-93	2 pages
5. Expense report of Pagels seeking reimbursement for contribution to the Kennedy for Senate Dinner and copy of \$500 check payable to Kennedy for Senate	11-12-93	2 pages
6. Expense report of Blosser signed by Barr seeking reimbursement for contribution to the Kennedy for Senate Dinner and copy of \$500 check payable to Kennedy for Senate	11-12-93	3 pages
7. Memo from Barr to Campbell re: Contributions made by DAD to Kennedy for Senate	11-22-93	1 page
8. Expense report of Millenson signed by Parlin seeking reimbursement for contribution to the New American Century Fund and copy of \$500 check payable to New American Century Fund	2-24-94	4 pages
9. Expense report of Millenson signed by Barr and Parlin for contributions to Harkin and Garst and copy of \$250 check payable to Harkin and \$100 check payable to Garst	4-27-94	4 pages

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10. Expense report of Millenson signed by Barr for contribution to Marjorie Margolies Mezvinsky and copy of \$250 check payable to Mezvinsky	10-3-94	3 pages
11. Expense report of Millenson signed by Barr for contributions to Hastings for Congress, Matt Salmon for Congress Committee, Bilbray for Congress, Ehrlich for Congress Committee, Chabot for Congress Committee, Citizens for Stuart Schooler and copy of \$1,000 check payable to Hastings, \$1,000 check payable to Salmon, \$1,000 check payable to Bilbray, \$1,000 check payable to Ehrlich, \$1,000 check payable to Chabot, and \$1,000 check payable to Schooler	10-24-94	4 pages
12. Memo from Barr to Munley re: contributions made by Millenson	10-26-94	1 page
13. Memorandum from Parlin to Millenson Re: 1994 2d and 3d Quarter Expense Reports	11-18-94	1 page
14. Memorandum from Millenson to Parlin Re: Contributions made by DAD or reimbursed by DAD to its employees	1-13-95	5 pages
15. Electronic mail message from Millenson to Parlin Re: Corporate reimbursement of contributions	1-20-95	1 page
16. Memorandum from Hsu to Millenson Re: Expense Report Processing and Contribution Expenses and Detail Explanation of Each Expense Report	2-2-95	3 pages
17. Memorandum from Millenson to Parlin Re: Addendum 1/13/95 Memorandum detailing additional Contributions	2-2-95	1 page
18. Letter from Millenson to Tattle Re: federal contributions and copy of check payable to Ortho for \$6,500 from Millenson	11-15-95 ¹	3 pages

¹Incorrectly dated by E. Millenson. Correct date is 2-15-95.

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19. Letter from Millenson to Tattle Re: expense reimbursements approved by Ortho and copy of \$3,250 check payable for Millenson's political contributions to Ortho	2-22-95	3 pages
20. Memorandum from Barr to Hsu and copy of \$500 check payable to Ortho from Barr	2-23-95	1 page
21. Letter from Hsu to Blosser Gladstone Re: reimbursement request for political contribution	2-27-95	1 page
22. Documentation indicating reimbursement by DAD to Millenson for contributions and checks payable to Millenson from Ortho for reimbursement	2-27-95	17 pages
23. Copy of \$2,000 reimbursement check from Decker payable to Ortho for contributions to Feinstein for Senate '94	3-6-95	2 pages
24. Transcript of voice mail message from Barr to Parlin	undated	1 page
25. Printout of DAD Federal and non-Federal Contributions made in 1993 and 1994	undated	7 pages

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Complete Index of Johnson & Johnson Documents

Type of Document	Date	Length
1. Political Activities and Contributions from Corporate Policy on Business Conduct	undated	1 page
2. J&J Employees' Good Government Fund Articles of Organization	undated	9 pages

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4.

Index of People Identified in Johnson & Johnson Documents

Name	Position and Duties
James Barr (see his prior affidavit for details)	<i>Director, Finance, DAD</i> Reviewed and approved employee expense reports within a certain dollar limit; currently employed by J&J Corporate Headquarters in the Finance Group
Jack Bowman (Parlin's predecessor)	<i>Chairman, DAD and Company Group Chairman, J&J</i> Businessman who negotiated the Asset Purchase Agreement to buy University Hospital Laboratory Company (UHL) (prior name for Millenson's company); retired 12-31-93
William B. Canfield	<i>Counsel, Holland & Knight</i> for Millenson
Charles Cooper	<i>DAD Counsel, Shaw, Pittman, Potts & Trowbridge</i> Contacted by Millenson re: federal election law
Bruce B. Decker (deceased)	<i>Founder and President, Health Policy & Research Foundation (HPRF)</i> HPRF is a tax-exempt foundation dedicated to better coordination through long-term strategic planning of federal, state, local and private sector AIDS research, education and treatment programs; created community support for DAD's efforts of an at-home HIV test kit
Margaret Blosser Gladstone (no longer employed by J&J)	<i>Secretary to Millenson, DAD</i>
Donna Haigh	<i>Executive Assistant to Millenson, DAD</i> Assistant for Millenson for only 5 weeks and then began working for his replacement, Robert Miller, President of DAD
Steve Hofman	<i>DAD Consultant</i>

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People Identified in MUR 4297
Page 2

Helen Hsu

Director of Finance, DAD; Chief Financial Officer, DAD
Reviewed and agreed all 1993/1994 original expense reports for Millenson and Strongin to the Accounts Payable Subsidiary Ledgers and GELCO's Report. Agreed Millenson's expense reports to the copies sent to Parlin for review and approval. Reviewed each expense report to ensure that contribution expenses were properly captured.

Donna Malin

Assistant General Counsel, J&J

Elliott J. Millenson

President and CEO, DAD

William Pagels
(terminated late 1995)

Associate Director Confide Development and Finance, DAD

Gary Parlin

Chairman, DAD; Company Group Chairman, J&J
As Chairman of DAD, he received on a quarterly basis, copies of all employees expense reimbursement forms for review, after the reimbursements were made to the employees.

Kathy Schroeder

Associate General Counsel, J&J
Provides regulatory advice to DAD; "Board lawyer" assigned to DAD in 1994-95

Wendy Strongin

Senior Vice President of Research and Development, DAD

Peter Tattle

Company Group Chairman, J&J
Supervised a number of J&J subsidiaries including Ortho; Chairman of Ortho's Board of Directors

Bob Wilson

Vice Chairman, J&J
Member of Board of Directors

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People Identified in MUR 4297

Page 3

Cindy Ziemba

Financial Analyst, DAD's Finance Department
(since 1996 works at another J&J operating company (J&J Health Care Systems))

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5.

Officers elected or re-elected on 4/29/93 (Annual Meeting) - Johnson & Johnson

Chairman of the Board and
Chief Executive Officer.
President and Chairman of
the Executive Committee

Ralph S. Larsen

Vice Chairman of the Board
Vice Chairman of the Board

Robert E. Campbell Ret 1/1/95
Robert N. Wilson

Chairman, Executive Committee
Executive Committee Member
Executive Committee Member

Ralph S. Larsen
Robert E. Campbell Ret 1/1/95
Roger S. Fine
George S. Frazza
Clark H. Johnson
Peter N. Larson
Robert N. Wilson

Chairman of the Finance Committee

Ralph S. Larsen

Vice President, Administration
Vice President, Corporate Communications
Vice President, Finance
Vice President, General Counsel
Vice President, Information Technology
Vice President, Public Affairs
Vice President, Science and Technology
Vice President, Treasury & Financial Services
Vice President, Business Development
Treasurer
Secretary

Roger S. Fine
Willard D. Nielsen
Clark H. Johnson
George S. Frazza
Ronald R. Morris Ret 4/27/95
Frank H. Barker Ret 1/1/96*
Robert Z. Gussin
Andrew J. Markey Ret 4/28/94
James R. Utaski
JoAnn Heffernan Heisen
J. Taylor Woodward III Ret 4/25

Assistant Treasurer
Assistant Treasurer
Assistant Treasurer

Eugene D. Barron Term 4/28/94
Clarence E. Lockett Transf 4/25
Paul T. St. George Ret 4/27/95

Assistant Secretary
Assistant Secretary

O. Nelson Baker
Peter D. Bewley Term 4/27/95
Richard F. Biribauer
Audley A. Ciamporcero
Philip P. Crowley
Russell C. Deyo
Blair M. Flicker
Peter S. Galloway
Eric I. Harris
James R. Hilton
Joseph S. Orban
Steven M. Rosenberg
Michael J. Ryan, Jr.
Lewis Stein Ret 4/23/94
Michael Ullmann
Robert L. Zocca

(*Title change 4/27/95 Corporate VP)

Officers elected since the 4/29/93 Annual Meeting through 6/10/96

John A. Papa	Elected Assistant Treasurer eff. 9/20/93
Alexander W. Roulston	Elected Corporate Controller eff. 12/1/93 Retired 6/1/95
Annie H. Lo	Elected Assistant Treasurer eff. 12/1/93
Peter N. Larson	Elected to Board of Directors eff. 10/1/94 Resigned eff. 4/7/95
Peter S. Galloway	Elected Corporate Secretary eff. 4/28/94
Ronald G. Gelbman	Elected to Executive Committee eff. 10/1/94
James T. Lenehan	Elected to Executive Committee eff. 10/1/94
Christian A. Koffmann	Elected to Executive Committee eff. 4/10/95
Joanne H. Heisen	Elected Corporate Controller eff. 4/27/95
Robert J. Darretta	Elected Treasurer eff. 4/27/95
Kenneth A. Berlin	Elected Assist. Secretary eff. 4/27/95
Kathy J. Schroeher	Elected Assist. Secretary eff. 4/27/95
Michael P. Reilly	Elected Assist. Secretary eff. 4/25/96
Donna Malin	Elected Assist. Secretary eff. 5/15/96
Laurence Rickles	Elected Assist. Secretary eff. 5/15/96

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Subsidiary Companies

<u>Div</u>	<u>Company Name</u>	<u>Status</u>	<u>Date Inc./Est.</u>	<u>State</u>
	Ortho Pharmaceutical Corporation Clinical Diagnostic Systems, Inc.	Active	10/17/1984	NY
	McNellab, Inc.	Active	12/07/1982	PA
	Ortho Biotech Inc.	Active	03/24/1987	NJ
	Ortho Mergers, Inc.	Active	12/21/1984	DE
	PDT Technology Inc.	Inactive	01/31/1984	DE
	Photofrin Del Caribe, Inc.	Inactive	12/28/1983	DE
	Somerset Laboratories, Incorporated	Active	08/30/1971	NJ
	Symedix International Medical Services, Inc.	Inactive	08/04/1980	CA
D	Advanced Care Products Division Of Ortho Pharmaceutical Corporation	Active	01/02/1989	DE
D	Direct Access Diagnostics Division of OPC	Active	11/23/1982	DE
D	J.O.M. Pharmaceutical Services division of Ortho Pharmaceutical Corporation	Active	06/08/1984	DE
D	Johnson & Johnson Professional Diagnostics Division Of OPC	Active	01/02/1989	DE
D	Ortho Biotech Division Of Ortho Pharmaceutical Corporation	Active	01/02/1989	DE
D	Ortho Dermatological Division Of Ortho Pharmaceutical Corporation	Active	01/02/1989	DE
D	Ortho Pharmaceutical Corporation Division Of OPC	Active	01/02/1989	DE

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

November 1, 1996

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
James Barr

Dear Ms. Utrecht:

On February 26, 1996, your client James Barr was notified that the Commission had found reason to believe he violated 2 U.S.C. §§ 441b(a) and 441c, provisions of the Federal Election Campaign Act of 1971, as amended.

As you will recall, we discussed setting a date for Mr. Barr's deposition. To accommodate your schedule, the deposition was not held prior to the election. Accordingly, the Commission has now issued the attached subpoena requiring Mr. Barr to appear and give sworn testimony in connection with this matter on December 6, 1996. As indicated on the subpoena, the deposition is to take place at the Commission.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen
Attorney

Enclosure
Subpoena

97043850481

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
)

MUR 4297

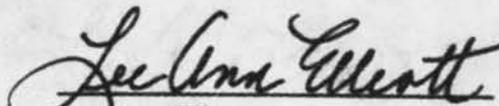
SUBPOENA FOR DEPOSITION

TO: Mr. James Barr
c/o
Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

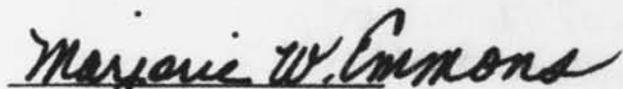
Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas you to appear for a deposition with regard to MUR 4297. Notice is hereby given that the deposition is to be taken on December 6, 1996, in Room 657 at the Commission's offices at 999 E Street, N.W., Washington, D.C., beginning at 9:00 a.m. and continuing each day thereafter as necessary.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set her hand in Washington, D.C., on this *1st* day of *November*, 1996.

For the Commission,


Lee Ann Elliott
Chairman

ATTEST:


Marjorie W. Emmons
Secretary to the Commission

97043850482

LAW OFFICES
WILLIAMS & CONNOLLY

725 TWELFTH STREET, N.W.

WASHINGTON, D. C. 20005-5901

(202) 434-5000

FAX (202) 434-5029

EDWARD BENNETT WILLIAMS (1920-1988)
PAUL R. CONNOLLY (1922-1978)

ANGELA S. KIM
(202) 434-5912

November 5, 1996

BY REGULAR MAIL

Mark Allen, Esq.
999 E Street, N.W.
Room 657
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463
(202) 219-3400

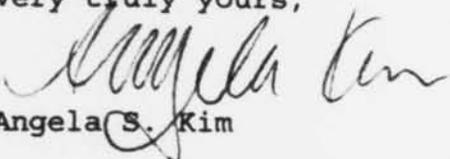
Re: MUR 4297
Elliott Millenson

Dear Mark:

During our scheduling of Mr. Millenson's interview at your office, you indicated that the FEC would reimburse Mr. Millenson for his travel expenses from his home in New Jersey to Washington, D.C. I have enclosed the receipts for Mr. Millenson's airfare (\$384), airport parking in New Jersey (\$12), and taxis to and from the airport in D.C. (\$24). These expenses totalling \$420.00 were all incurred on October 23, 1996 for his meeting with you at your office. I would appreciate it if you could send me a reimbursement check (made payable to Elliott Millenson), which I will then forward to Mr. Millenson.

In the meantime, please do not hesitate to call with any questions. I look forward to hearing from you.

Very truly yours,


Angela S. Kim

NOV 6 12 26 PM '96
RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 14, 1996

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, NW
Suite 1100
Washington, DC 20006

RE: MUR 4297

Dear Ms. Utrecht:

Pursuant to the telephone conversation of Tracey Ligon of this Office with Ms. Hillary Jassey on November 13, 1996, this is to confirm that Mr. James Barr will appear and give sworn testimony at the Federal Election Commission at 999 E Street, NW, Washington, DC 20463, on Thursday, December 5th, 1996 at 9:00 am.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Mark Allen

Mark Allen
Attorney

by TLL

97043850484



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 2, 1996

Angela S. Kim, Esq.
Williams & Connolly
725 Twelfth Street, N.W.
Washington, D.C. 20005-5901

RE: MUR 4297
Elliott Millenson

Dear Ms. Kim:

On October 23, 1996, Charles Augone and I interviewed your client Elliott Millenson. Enclosed is an affidavit based on that interview. As you can see by the title, "Supplemental Affidavit of Elliott J. Millenson," this document is not intended to comprehensively cover all of his activity. Rather, in view of Mr. Millenson's earlier affidavit dated March 5, 1996, the enclosed affidavit is limited to areas of particular interest to the Commission such as the details of the contributions, the reimbursements, and the approval of the reimbursements.

Please review the enclosed affidavit with Mr. Millenson. If Mr. Millenson agrees with the statements in the affidavit, please have him sign the affidavit and swear to it before a notary public, and return it to me within the next 15 days. If you have any changes to propose, please contact me at (202) 219-3400.

Sincerely,

Mark Allen
Attorney

Enclosure
Affidavit

97043850485



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 3, 1996

Angela S. Kim, Esq.
Williams & Connolly
725 Twelfth Street, N.W.
Washington, D.C. 20005-5901

RE: MUR 4297
Elliott Millenson

Dear Ms. Kim:

Enclosed is a check for Elliott Millenson's travel expenses in connection with his interview on October 23, 1996 in Washington, D.C.

Sincerely,

Mark Allen

Mark Allen
Attorney

Enclosure
check # 2038 27124487

27043850486

United States Treasury ¹⁵⁻⁵¹ P 522,586,254 ₀₀₀

11 29 96 12 PHILADELPHIA, PA 2038 27124487
260762 05 ELLIOTT MILLENSE 95350001
F E C WASH DC
ELLIOTT MILLENSON

Check No. 2038 27124487
95350001

Pay to the order of ELLIOTT MILLENSON

\$****420*00
VOID AFTER ONE YEAR

PO NO 7AT027 FIN PY DC
FED ELEC COMM





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LAW OFFICES
WILLIAMS & CONNOLLY

725 TWELFTH STREET, N.W.
WASHINGTON, D. C. 20005-5901

(202) 434-5000

FAX (202) 434-5029

EDWARD BENNETT WILLIAMS (1920-1988)
PAUL R. CONNOLLY (1922-1978)

ANGELA S. KIM
(202) 434-5912

December 20, 1996

BY COURIER

Mark Allen, Esquire
Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Room 657
Washington, D.C. 20463

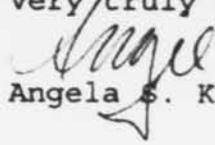
Re: Elliott Millenson
MUR 4297

Dear Mark:

Enclosed please find a notarized copy of the Supplemental Affidavit of Elliott J. Millenson. This copy incorporates all the changes that we proposed and that you approved. I hope that you find it useful.

Feel free to call me with any questions. In the meantime, have a wonderful Holiday Season.

Very truly yours,


Angela S. Kim

ASK:jlw

cc: Elliott J. Millenson
(By FAX)

Enclosure

Dec 20 11 49 AM '96

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

27043850407

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4297
Elliott Millenson)

SUPPLEMENTAL AFFIDAVIT OF ELLIOTT J. MILLENSON

Upon information and belief, I, Elliott J. Millenson, state as follows:

1. In 1987, Dr. Wendy Strongin (now, my wife) and I formed University Hospital Laboratories, which was incorporated as University Hospital Laboratories Corporation ("UHL"), to develop a home AIDS test and obtain Food and Drug Administration approval for such product. In February 1993, UHL entered into an asset purchase agreement with Ortho Pharmaceutical Corporation ("Ortho"), a subsidiary of Johnson & Johnson, Inc. At that time, UHL became Direct Access Diagnostics ("DAD"), a division of Ortho. I entered into an agreement to serve as president and CEO of DAD. Dr. Strongin became DAD senior vice president for research and development.

2. Although DAD was a division of Ortho, I reported directly to a company group chairman at Johnson & Johnson. In July 1993, Gary Parlin took over as the company group chairman in charge of DAD, and in August 1993, I (at Mr. Parlin's urging) hired James Barr as DAD director of finance. Gary Parlin reported to Johnson & Johnson company group chairman Peter Tattle, who in turn reported to Johnson & Johnson vice chairman Bob Wilson. Mr. Wilson reported to Johnson & Johnson chairman Ralph Larsen. In early 1995, another layer of Johnson & Johnson management was created between Messrs. Tattle and Wilson: Ron Gelbman, pharmaceutical and diagnostics sector chairman.

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3. DAD's strategy for obtaining FDA approval of its home AIDS test included political contributions.

4. In November 1993, Bruce Decker, an AIDS activist, president of Health Policy & Research Foundation, and a consultant/adviser to DAD who helped develop community support for DAD's home AIDS test, asked me to get four individuals to contribute \$500 each to the Committee to Re-elect Senator Kennedy in connection with a Washington, D.C. fundraiser. Mr. Decker instructed me that the contributions had to be individual and not corporate.

5. I was interested in reimbursing the contributions and was uncertain as to the legality of such an action. I asked James Barr to ascertain whether Johnson & Johnson had a policy regarding the reimbursement of political contributions and whether such reimbursement was legal. Mr. Barr reported back to me that he had checked with Ortho and was told that Ortho had a policy against such reimbursements but that such reimbursements were not illegal. I do not know who Mr. Barr spoke to at Ortho. I was still concerned about the legality of reimbursements, and I asked Mr. Barr to check with Johnson & Johnson's Government Relations Office. James Barr reported back to me that he had so checked and that such reimbursements were not contrary to Johnson & Johnson policy and were legal. To the extent that William Canfield's April 24, 1995 letter to the Federal Election Commission on my behalf is read to characterize my second request to Mr. Barr regarding the reimbursement of political contributions as whether an employee could make contributions directly to a candidate committee rather than having such contributions made by the company PAC, it is incorrect.

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6. I subsequently asked James Barr, William Pagels, and Margaret Blosser (since married; now Margaret Gladstone) to contribute \$500 each to the Committee to Re-elect Senator Kennedy with the understanding that they would be reimbursed. I asked these three individuals because they were DAD employees who happened to be near my office at the time. I do not recall the specific details of their reactions, but do recall that they reacted positively and agreed to my request. None of these three employees questioned my request, and each brought in \$500 checks shortly thereafter. I did not ask anyone besides these three employees to contribute to the Committee to Re-elect Senator Kennedy. I also wrote a \$500 check to the Kennedy campaign, dated November 11, 1993. I did not attend the Senator Kennedy fundraiser event.

7. James Barr, William Pagels, Margaret Blosser, and I each filled out expense reports in order to be reimbursed for the contributions. Messrs. Barr and Pagels and Ms. Blosser each submitted their expense reports to their superiors: Mr. Barr submitted his expense report to me; Mr. Pagels submitted his expense report to Dr. Strongin; and Ms. Blosser submitted her expense report to Mr. Barr. Dr. Strongin, Mr. Barr, and I each approved the reimbursements.

8. My expense report went to DAD director of finance James Barr in the ordinary course. Mr. Barr approved the reimbursement, signing the expense report on November 23, 1993. My expense report along with those of James Barr, William Pagels, and Margaret Blosser then went to Andrea Munley at Ortho in the ordinary course. According to documents from Johnson & Johnson, Ms. Munley questioned James Barr about the reimbursements, but Mr. Barr assured Ms. Munley of the propriety of the reimbursement of

the contributions. In a November 22, 1993 memorandum from Jim Barr to Mr. F. Campbell at Ortho titled "Contributions made by Direct Access Diagnostics," regarding the reimbursement through expense reports of the four \$500 contributions to Senator Kennedy's 1994 re-election campaign, Mr. Barr stated that "[w]e realize that this is not normal J&J procedure and have contacted Corporate's Government Affairs office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report." I do not know what this "contributions report" is. Ortho personnel approved the reimbursements.

9. I was reimbursed by Ortho for the \$500 contribution on December 8, 1993. Messrs. Barr and Pagels and Ms. Blosser were also reimbursed by Ortho around this time.

10. My expense report containing this reimbursement also went to my superior Gary Parlin, Johnson & Johnson company group chairman in charge of DAD. The practice then in effect was that Mr. Parlin would review my expenses on a quarterly basis. Although Mr. Parlin did question some of my expenses, he did not question me about the reimbursement of my contribution to the Committee to Re-elect Senator Kennedy. Mr. Parlin approved this reimbursement.

11. I also had my subsequent political contributions reimbursed through expense reports. In February 1994 I was made aware of the New American Century Fund by Steve Hofman, a consultant to DAD and former aide to Lyn Martin, former Secretary of Labor. I wrote a \$500 check for a contribution to the New American Century Fund, a federal political committee related to Lyn Martin, on February 24, 1994. I filled out an expense report in order to be reimbursed for the contribution. My expense report went to DAD

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director of finance James Barr in the ordinary course. Mr. Barr approved the reimbursement, signing the expense report on April 11, 1994. Then Ortho personnel approved the reimbursement. I was reimbursed by Ortho for the \$500 contribution on April 27, 1994. My expense report also went to my superior Gary Parlin, who did not question me about the reimbursement of my contribution to the New American Century Fund. Mr. Parlin approved this reimbursement.

12. In April 1994 I was invited by Sean Strub to a New York fundraiser for Senator Harkin that was arranged by Washington lobbyist Tom Sheriden. I wrote a \$250 check to Friends of Tom Harkin on April 27, 1994 and attended the fundraiser where, among other things, I spoke to Senator Harkin. I filled out an expense report in order to be reimbursed for the contribution. My expense report went to DAD director of finance James Barr in the ordinary course. Mr. Barr approved the reimbursement, signing the expense report on April 28, 1994. There is a handwritten note dated "5/5/94" on the expense report: "Per Jim Barr - this has been approved through the J&J lobbyist group in Washington, D.C. as was [sic] past contributions." The initials next to the writing are "JES," apparently James E. Scallon, an Ortho finance employee. There is also a handwritten "OK" with illegible initials. The handwriting does not appear to me to be that of Gary Parlin. I did not communicate with Mr. Scallon regarding the reimbursements of political contributions.

13. Ortho personnel approved the reimbursement. I was reimbursed by Ortho for the \$250 contribution on June 9, 1994. My expense report also went to my superior Gary Parlin, who did not question me about the reimbursement of my contribution to Friends of Tom Harkin. Mr. Parlin approved this reimbursement.

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14. Subsequently, I was invited to a fundraiser for Representative Mezvinsky by Sean Strub. I did not attend the fundraiser, but I wrote a \$250 check to Friends of Marjorie Mezvinsky on October 3, 1994. I filled out an expense report in order to be reimbursed for the contribution. My expense report went to DAD director of finance James Barr in the ordinary course. Mr. Barr approved the reimbursement, signing the expense report on October 3, 1994. Ortho personnel approved the reimbursement. I was reimbursed by Ortho for the \$250 contribution on October 10, 1994. I assume that my superior Gary Parlin approved the reimbursement of my contribution to Friends of Marjorie Margolies Mezvinsky, but I have not seen documentation thereof.

15. Later in October 1994, I made several contributions upon the suggestion of DAD consultant Steve Hofman. On October 25, 1994, I wrote \$1,000 checks to the Chabot for Congress Committee, Matt Salmon for Congress Committee, Hastings for Congress, the Ehrlich for Congress Committee, and Bilbray for Congress. I filled out an expense report in order to be reimbursed for the five contributions. My expense report went to DAD director of finance James Barr in the ordinary course. Mr. Barr approved the reimbursement, signing the expense report on October 26, 1994. Ortho personnel approved the reimbursement. I was reimbursed by Ortho for the \$5,000 in contributions on November 2, 1994. I assume that my superior Gary Parlin approved the reimbursement of these contributions, but I have not seen documentation thereof.

16. Also in October 1994, Bruce Decker, a consultant/adviser to DAD, made a political contribution that was reimbursed. On October 13, 1994, Mr. Decker contributed \$2,000 to Cal Victory '94, a joint fundraising committee supporting Senate

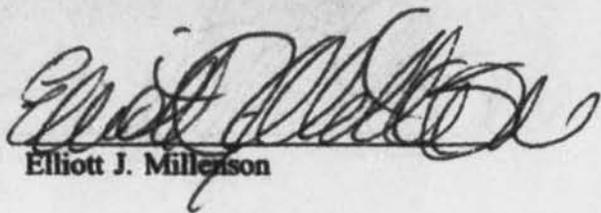
candidate Diane Feinstein and the Democratic Senatorial Campaign Committee. Mr. Decker submitted a request for expense reimbursement in order to be reimbursed for the contribution. His request came to me in the ordinary course. I generally deferred to Mr. Decker's judgment regarding expenses, although I always asked my finance department to verify that his expenses were accurate and consistent with corporate policy. I approved the reimbursement, signing the expense request on October 19, 1994. Bruce Decker was reimbursed by Ortho for the \$2,000 contribution on November 9, 1994.

17. I did not discuss any of the reimbursements described above with any of the recipient candidates or campaign personnel.

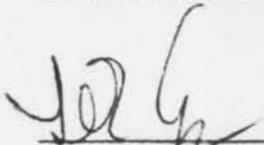
18. I did not make or approve the reimbursement of any further federal political contributions.

19. In January 1995 Johnson & Johnson officials became aware of the illegal DAD reimbursements of political contributions through circumstances explained extensively in my prior affidavits of March 5, 1996 and April 12, 1996, which were submitted to the Federal Election Commission. Subsequently, Johnson & Johnson drafted new guidelines on political contributions in the United States. According to documents obtained during the course of my arbitration proceeding involving DAD and Johnson & Johnson, the final version of the new guidelines were not disseminated to senior management as late as November 14, 1995.

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Elliott J. Millenson

Subscribed and sworn to me this 18 day of December, 1996.



Notary Public

IBOLYA GROSZ
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 6, 1997

27043850495



FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 8, 1997

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
James Barr

Dear Ms. Utrecht:

The transcript of the deposition is now ready for James Barr to review and sign in the offices of the court reporter. Mr. Barr should contact the court reporter within thirty days to arrange a time to read the transcript:

Miller Reporting Company, Inc.
507 C Street, N.E.
Washington, D.C. 20002

(202) 546-6666
(800) 833-7947

As I noted at Mr. Barr's deposition, this Office can make Mr. Evans' transcript available at a court reporter's office in New Jersey if that would be more convenient for him. Further, as I also noted at the deposition, you may review a copy of the transcript at the Commission.

Please contact me at (202) 219-3400 to discuss the arrangements for Mr. Barr and yourself.

Sincerely,

Mark Allen

Mark Allen
Attorney

97043850496



FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 24, 1997

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
James Barr

Dear Ms. Utrecht:

Enclosed is a check representing the witness fee for Mr. James Barr for the deposition taken on December 5, 1996 in Washington, D.C.

Sincerely,

Mark Allen

Mark Allen
Attorney

Enclosure
check # 2038 27780752

27043850497



United States Treasury

15-51 P 501,510,337
000



Pay to
the order of

01 23 97 7 PHILADELPHIA, PA -
260902 05 JAMES J BARR
JAMES J BARR F E C WASH DC

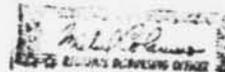
Check No.

2038 27780752
95350001

\$*****40*00

VOID AFTER ONE YEAR

PO NO 7AW017 WITNESS FEE



20383

000000518: 27780752 010197

OLDAKER, RYAN, PHILLIPS & UTRECHT
FEDERAL ELECTION COMMISSION

ATTORNEYS AT LAW

818 CONNECTICUT AVENUE, N.W.

SUITE 1100

WASHINGTON, D.C. 20006

JAN 21 8 50 AM '97

(202) 728-1010

FACSIMILE (202) 728-4044

January 23, 1997

Mr. Mark Allen
Office of General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

JAN 27 10 23 AM '97

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

MUR 4297

Dear Mr. Allen:

Enclosed are Jim Barr's travel expenses from his deposition on Thursday, December 5, 1996. Mr. Barr's Social Security # is [REDACTED]. His expenses include:

Airfare (Newark - Washington)	\$135.30
Hotel Charges (Hyatt Regency)	\$233.42
<u>Taxi Charges</u>	<u>\$ 69.00</u>
Total	\$437.72

Please let me know if you need further information to process this request. Thank you for your attention to this matter.

Sincerely,

Lyn Utrecht
Lyn Utrecht

97043850498

FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

In the Matter of)
)
Ortho Pharmaceutical Corporation)
Johnson & Johnson, Inc.)
Elliott Millenson)
James Barr)
Gary Parlin)

FEB JUN 4 2 47 13 PM '97

SENSITIVE

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

On June 11, 1996, the Commission suspended pre-probable cause conciliation in this matter with Ortho Pharmaceutical Corporation ("Ortho"), Elliott Millenson, and James Barr, and found reason to believe that Gary Parlin violated 2 U.S.C. §§ 441b(a) and 441f and that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f. Also on that date, the Commission approved a limited investigation. This Office has completed its investigation in this matter and now recommends entering into pre-probable cause conciliation with one respondent. This Office will proceed to the briefing stage with the other respondents.

II. **ANALYSIS**

A. **Investigation**

This matter involves Ortho's reimbursement of \$10,000 in contributions by Elliott Millenson, James Barr, Margaret Blosser, Bruce Decker,¹ and William Pagels. The basic fact of the reimbursements has never been at issue, although the circumstances and involvement of various individuals in the reimbursement activity has been subject to dispute. The investigation, as noted in the General Counsel's Report dated May 15, 1996 ("May 1996 Report"), was intended

¹ Mr. Decker is deceased.

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to obtain all the relevant documents pertaining to the violations in this matter. The investigation also focused on the roles of Gary Parlin and Johnson & Johnson, James Barr's assertion that he did not serve as a corporate officer for purposes of section 441b(a) liability, and the conflicting accounts of Messrs. Barr and Millenson regarding some of the events in this matter. Finally, the investigation was also intended to ascertain whether the violations were committed in a knowing and willful manner.

This Office received responses to the Commission's document subpoenas. Attachment 1. Elliott Millenson provided voluminous documents,² nearly the entire administrative record of his successful wrongful termination arbitration against Direct Access Diagnostics, the division of Ortho that Mr. Millenson was president of during the events in this matter.³ In view of Mr. Millenson's request to meet with this Office and his cooperation in this matter in the form of providing information, this Office did not depose but rather interviewed Mr. Millenson, who signed an affidavit on December 18, 1996 based on that interview. Attachment 2. This Office deposed James Barr on December 5, 1996. Although the Commission also approved a deposition subpoena for Gary Parlin, in light of the extensive information in the possession of this Office regarding Mr. Parlin's role in the events in this matter, including his testimony in Mr. Millenson's arbitration, this Office concluded that it was unnecessary to depose Mr. Parlin.

As for the conflicting accounts of Elliott Millenson and James Barr regarding their actions taken to ascertain the legality of reimbursing political contributions with company funds, these

² In light of the size of Mr. Millenson's submission, most of it is not attached but is available in Docket.

³ The administrative record goes far beyond the issues in this matter, but does provide relevant information. For example, Gary Parlin, the Johnson & Johnson official with responsibility over Direct Access Diagnostics ("DAD"), testified regarding James Barr: "I would consider him an officer certainly. He was the highest ranking finance person in [DAD]."

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two respondents have sworn to their respective accounts, Mr. Millenson in his affidavit and Mr. Barr in his deposition. Specifically, Mr. Millenson avers that he asked James Barr to ascertain whether Johnson & Johnson had a policy regarding the reimbursement of political contributions and whether such reimbursement was legal, and that Mr. Barr reported back that he had checked with Ortho and was told that Ortho had a policy against such reimbursements but that such reimbursements were not illegal. Mr. Millenson avers that he was still concerned about the legality of reimbursements, and asked Mr. Barr to check with Johnson & Johnson's Government Relations Office, and that James Barr reported back that he had so checked and that such reimbursements were not contrary to Johnson & Johnson policy and were legal. Mr. Barr, by contrast, stated under oath that at the same time he checked with Ortho, Elliott Millenson checked with Johnson & Johnson's Government Affairs Office.

In order to obtain corroborative views on this and other issues such as how Mr. Millenson approached the conduits about contributing, this Office contacted the other conduits, Margaret Blosser and William Pagels. Both proved unwilling to provide information to this Office voluntarily, however, and this Office did not have deposition subpoena authority regarding these two individuals.⁴ Thus, this Office was unable to pursue this avenue of the investigation which may have shed light on the versions of events as portrayed by Messrs. Millenson and Barr.

The investigation in this matter did shed light on James Barr's assertion in response to reason to believe that he was not an officer for purposes of section 441b(a) liability. See the May 1996 Report at page 4. Gary Parlin made a similar assertion in his response to reason to believe.

⁴ The Commission rejected this Office's recommendation for deposition subpoenas to Ms. Blosser and Mr. Pagels. See the May 1996 Report, page 6, and the Certification dated June 13, 1996 for the Commission's June 11, 1996 executive session.

Attachment 1, page 27. The information gained in the course of the investigation indicates that both Messrs. Barr and Parlin had responsibilities, if not titles, equivalent to those of officers, and so appear to be liable under section 441b(a).⁵ Given respondents' position on this legal issue, it does not appear that preprobable cause conciliation would be fruitful.⁶ Thus, this Office will draft briefs regarding these respondents as well as Ortho and Johnson & Johnson, all of whom are represented by the same counsel. By contrast, in view of Elliott Millenson's comparative cooperation, this Office recommends that the Commission enter into pre-probable cause conciliation with this respondent.

B. Conciliation

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⁵ See footnote 3 above. As set out in the Commission's factual and legal analyses, Messrs. Barr and Parlin also appear to be liable under section 441f for knowingly assisting in the reimbursement of contributions. Mr. Barr is further liable under section 441f for knowingly allowing a corporate contribution to be made in his name.

⁶ Counsel argues that there is no basis for the liability of Messrs. Barr and Parlin and Johnson & Johnson, and reiterates an offer to settle with Ortho alone. Attachment 1, page 31.

IV. RECOMMENDATIONS

- 1. Enter conciliation prior to a finding of probable cause to believe with Elliott Millenson.
- 2. Approve the attached conciliation agreement and the appropriate letter.

Lawrence M. Noble
General Counsel

2/4/97
Date


BY: Lois G. Lerner
Associate General Counsel

Attachments:

- 1. Subpoena responses
- 2. Elliott Millenson December 18, 1996 affidavit
- 3. Conciliation agreement

Staff assigned: Mark Allen

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Ortho Pharmaceutical Corporation;)	
Johnson & Johnson, Inc.;)	MUR 4297
Elliott Millenson;)	
James Barr;)	
Gary Parlin.)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 10, 1997, the Commission decided by a vote of 4-0 to take the following actions in MUR 4297:

1. Enter conciliation prior to a finding of probable cause to believe with Elliott Millenson.
2. Approve the conciliation agreement and the appropriate letter, as recommended in the General Counsel's Report dated February 4, 1997.

Commissioners Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens did not cast a vote.

Attest:

2-11-97
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:	Tues., Feb. 04, 1997	4:13 p.m.
Circulated to the Commission:	Wed., Feb. 05, 1997	4:00 p.m.
Deadline for vote:	Mon., Feb. 10, 1997	4:00 p.m.

lrd

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 14, 1997

J. Alan Galbraith, Esq.
Williams & Connolly
725 Twelfth Street, N.W.
Washington, D.C. 20005-5901

RE: MUR 4297
Elliott Millenson

Dear Mr. Galbraith:

On January 23, 1996, the Federal Election Commission found reason to believe that Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f. The Commission also at that time offered to enter into conciliation in settlement of this matter prior to a finding of probable cause to believe. On June 11, 1996, the Federal Election Commission determined to suspend conciliation pending an investigation in this matter. After an investigation, on February 10, 1997, the Commission again determined to offer to enter into conciliation.

Enclosed is a new conciliation agreement that the Commission has approved in settlement of this matter. If your client agrees with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact me at (202) 219-3400.

Sincerely,

Mark Allen
Attorney

Enclosure
Conciliation Agreement

97043850505



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1997

FROM: Eric Brown *EB*
Paralegal Specialist

THROUGH: Lois G. Lerner *LL*
Associate General Counsel

TO: Larry D. McCoy
Administrative Officer

SUBJECT: Court Reporter's Fee in MUR 4297

Mr. James Barr, a deponent in MUR 4297, will be reading and signing his deposition in New Jersey on March 3, 1997. The court reporter's fee for this service is \$25. The check should be written out to "Citone Court Reporters" and forwarded to me in the Office of the General Counsel as soon as possible. I will send the check with an accompanying cover letter to: Dianda Bender, Citone Court Reporters, 117 S. 4th Avenue, Highland Park, NJ 08904, (908) 777-9500.

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

27043850506



FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 21, 1997

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
James Barr

Dear Ms. Utrecht:

Enclosed is a check covering the travel costs of Mr. James Barr for the deposition taken on December 5, 1996 in Washington, D.C.

Sincerely,

Mark Allen

Mark Allen
Attorney

Enclosure
check # 2036 99399510

United States Treasury ¹⁵⁻⁵¹/₀₀₀ P 508,633,211



Pay to
the order of

02 20 97 40 PHILADELPHIA, PA
260973 05 JAMES J BARR
JAMES J BARR F E C WASH DC

Check No.

2036 99399510
95350001

*****366*30

VOID AFTER ONE YEAR



PO NO 7AT055 FIN PY DC

⑆ 2036 ⑆⑆

⑆0000005⑆8⑆ 993995⑆0⑆⑆ 0⑆0297

27043850507



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 25, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dianda Bender
Citone Court Reporters
117 S. 4th Avenue
Highland Park, NJ 08904

RE: MUR 4297

Dear Ms. Bender:

As we discussed on the phone, enclosed are all of the items you will need for Mr. James Barr's read-and-sign appointment at your office on Monday, March 3. Mr. Barr will call you with the time he plans to arrive.

Enclosed are the Confidential Deposition Transcript, Errata Sheets, and a return envelope for sending the transcript back to the Commission. The transcript must not be copied or removed from your office for any reason.

Please feel free to call me at (202) 219-3400 if there are any problems. In the event that I am not available, please contact Mark Allen at the same number.

Thank you for your help.

Sincerely,

Eric S. Brown
Paralegal Specialist

Enclosures

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 27, 1997

BY FACSIMILE AND FIRST CLASS MAIL

J. Alan Galbraith, Esq.
Williams & Connolly
725 Twelfth Street, N.W.
Washington, D.C. 20005-5901

RE: MUR 4297
Elliott Millenson

Dear Mr. Galbraith:

This is to follow up on our telephone conversation last week regarding your client Elliott Millenson's decision to communicate directly with me in this matter. I need to have clarified in writing whether you continue to represent Mr. Millenson and if so, whether I am to direct future correspondence to Mr. Millenson or to you. My phone number is (202) 219-3400 and my facsimile number is (202) 219-3923.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen
Attorney

27043850502



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 27, 1997

Dianda Bender
Citone Court Reporters
117 S. 4th Avenue
Highland Park, NJ 08904

RE: MUR 4297

Dear Ms. Bender:

Enclosed please find a \$25.00 check for hosting James Barr's read-and-sign appointment on March 3. If there are any questions, please call me at (202) 219-3400.

Sincerely,

Eric S. Brown
Paralegal Specialist

97043850510

United States Treasury

¹⁵⁻⁵¹/₀₀₀ P 510,567,147



Pay to
the order of

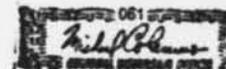
02 25 97 13 PHILADELPHIA, PA -
260985 05 CITONE COURT REP
F E C WASH DC
CITONE COURT REPORTE

Check No.

2036 99445773
95350001

\$*****25*00

VOID AFTER ONE YEAR



PO NO 7AW031 DEPOSITION

⑆ 2036 ⑆ ⑆ 0000005⑆ 8⑆ 994457739⑆ 0⑆ 10297

LAW OFFICES
WILLIAMS & CONNOLLY

725 TWELFTH STREET, N.W.
WASHINGTON, D. C. 20005-5901

(202) 434-5000

FAX (202) 434-5029

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

MAR 5 1 13 PM '97

EDWARD BENNETT WILLIAMS (1920-1988)
PAUL R. CONNOLLY (1922-1978)

J. ALAN GALBRAITH
(202) 434-5022

March 3, 1997

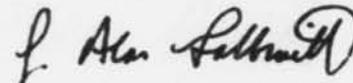
Mark Allen, Esq.
Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR4297
Elliott Millenson

Dear Mr. Allen:

I do not continue to represent Mr. Millenson in your matter. Please direct future communications to him.

Very truly yours,


J. Alan Galbraith

cc: Elliott J. Millenson

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CITITONE REPORTERS
CERTIFIED SHORTHAND REPORTERS

2 PENN PLAZA STE 1500
NEW YORK NY 10121
PHONE 212 286-9222
FAX 908 777-9559

117 SOUTH FOURTH AVENUE
HIGHLAND PARK NJ 08904
PHONE 908 777-9500
FAX 908 777-9559

16.11.97

Eric S. Brown
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

March 3, 1997

Re: MUR 4297

Dear Mr. Brown:

Per your instructions, I am returning to you the signed transcript of Mr. James Barr. Everything went fine.

If you should ever need our services again, please feel free to contact us.

Very truly yours,

Dianda L. Bender

/db

Encl.

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ERRATA SHEET

To the deposition of James Barr

The deponent having a right to make any changes deemed necessary, hereby makes the following changes into the deposition and states the reason for each change accordingly.

Page Number	Line Number	Change	Reason for Change
5	15	AMGEN	SPELLING
9	22	RIDEER	✓
10	2	CONTROLLER	✓
10	4	CONTROLLER	✓
10	14	CONTROLLER	✓
11	21	MCKINSEY	✓
43	20	CHANGE SECOND	
		THAT TO WHEN	CLARITY
69	7	ADD: THEY WERE	
		IN THE MANUFACTURING	
		DIVISION NOT FINANCE	
		(ie SABBIA + BOLLINGER)	CLARITY
95	1	ADD THE WORD	
		ORTHO IN FRONT	
		OF PHARMACEUTICAL	CLARITY

J J Barr
Deponent's Signature

3/3/97
Date

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JAMES J. BARR'S DEPOSITION TRANSCRIPT CAN BE
FOUND AT THE END OF THIS CASE FILE.

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BEFORE THE FEDERAL ELECTION COMMISSION

MAR 14 4 30 PM '97

In the Matter of
Elliott Millenson

)
)
)

MUR 4297

GENERAL COUNSEL'S REPORT

SENSITIVE

I. BACKGROUND

On February 10, 1997, the Commission determined to enter into conciliation prior to a finding of probable cause to believe with Elliott Millenson for violations of 2 U.S.C. §§ 441b(a) and 441f. This Office now recommends that the Commission reject Mr. Millenson's counteroffer and move to the next stage of the enforcement process.

II. ANALYSIS

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Because Mr. Millenson has not made a realistic counteroffer, and it appears that preprobable cause conciliation will not be fruitful, this Office recommends that the Commission reject Mr. Millenson's March 6, 1997 counteroffer, and move to the next stage of the enforcement process.

III. RECOMMENDATIONS

- 1. Reject the counterproposal by Elliott Millenson.
- 2. Approve the appropriate letter.

Lawrence M. Noble
General Counsel

3-14-97
Date

Lois G. Lerner
BY: Lois G. Lerner
Associate General Counsel

97043850517

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Elliott Millenson.

)
)
)

MUR 4297

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 20, 1997, the Commission decided by a vote of 5-0 to take the following actions in MUR 4297:

1. Reject the counterproposal by Elliott Millenson.
2. Approve the appropriate letter, as recommended in the General Counsel's Report dated March 14, 1997.

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

Attest:

3-20-97
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:	Fri.,	Mar. 14, 1997	4:34 p.m.
Circulated to the Commission:	Mon.,	Mar. 17, 1997	11:00 a.m.
Deadline for vote:	Thurs.,	Mar. 20, 1997	4:00 p.m.

bjr

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

MAR 27 1 22 PM '97

March 27, 1997

SENSITIVE

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Elliott Millenson
15 Ashington Club Road
Far Hills, NJ 07931-2469

RE: MUR 4297

Dear Mr. Millenson:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on January 23, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. §§ 441b(a) and 441f. After investigating this matter, the Commission offered to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On March 6, 1997, the Office of the General Counsel received your second conciliation counterproposal. On March 20, 1997, the Commission rejected this counterproposal.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days. A finding of probable

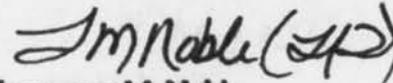
270438505192

Mr. Elliott Millenson
Page 2

cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

27043850520

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Elliott Millenson

)
)
)

MUR 4297

GENERAL COUNSEL'S BRIEF

I. BACKGROUND

On January 23, 1996, the Commission found reason to believe that Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f in connection with the reimbursement of political contributions. This Office has conducted an investigation in this matter.

I. ANALYSIS

A. The Law

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for a corporation to make a contribution in connection with a federal election. This provision also forbids corporate officers and directors from consenting to a corporation's contribution. Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. This prohibition extends to persons knowingly assisting in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii).

B. Factual and Legal Analysis

1. Background

At the time of the events in this matter Elliott Millenson was President and CEO of Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Ortho"). Ortho is in turn a wholly-owned subsidiary of Johnson & Johnson, Inc. Mr. Millenson reported directly to Gary Parlin, a Johnson & Johnson Company Group Chairman who also served as DAD Chairman. Also at this time, James Barr was DAD Director, Finance. On February 2, 1995, after the activity

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at issue in this matter, Johnson & Johnson fired Elliott Millenson from his position as President and CEO of DAD. Mr. Millenson later prevailed in a wrongful termination arbitration against his former employer. James Barr and Gary Parlin continue to work for Johnson & Johnson.¹

DAD was formed in order to develop a home AIDS test and obtain Food and Drug Administration approval for such product. DAD's strategy for obtaining FDA approval of its home AIDS test included political contributions, which from November 1993 through November 1994 included making corporate contributions in the names of Elliott Millenson, James Barr, two other DAD employees, and a DAD consultant.

2. Contributions and Reimbursements

In November 1993, Bruce Decker, President of Health Policy & Research Foundation and a consultant/adviser to DAD who developed community support for DAD's home AIDS test, asked Elliott Millenson to get four individuals to contribute \$500 each to the Committee to Re-elect Senator Kennedy in connection with a Washington, D.C. fundraiser. Mr. Millenson was interested in reimbursing the contributions. Messrs. Millenson and Barr discussed the issue, and inquiries were made regarding the legality of such reimbursements. There is conflicting sworn testimony regarding the inquiries, but Mr. Millenson has sworn in an affidavit that he asked James Barr to ascertain whether Johnson & Johnson had a policy regarding the reimbursement of political contributions and whether such reimbursement was legal, and that Mr. Barr reported back that he had checked with Ortho and was told that Ortho had a policy against such reimbursements but that such reimbursements were not illegal. Mr. Millenson avers that he was still concerned about the legality of reimbursements, and asked James Barr to check with Johnson & Johnson's

¹ James Barr has worked as a comptroller for Johnson & Johnson since January 1995.

Government Relations Office, and that Mr. Barr reported back to Mr. Millenson that he had so checked and that such reimbursements were not contrary to Johnson & Johnson policy and were legal.

Elliott Millenson subsequently asked DAD employees James Barr, Margaret Blosser,² and William Pagels to contribute \$500 each to the Committee to Re-elect Senator Kennedy with the understanding that they would be reimbursed. Messrs. Barr and Pagels and Ms. Blosser, as well as Mr. Millenson, each wrote \$500 checks shortly thereafter. Mr. Millenson's check was dated November 11, 1993.

Elliott Millenson, James Barr, Margaret Blosser, and William Pagels each filled out expense reports in order to be reimbursed for the contributions. Mr. Millenson's expense report went to DAD Director, Finance James Barr in the ordinary course. Mr. Barr approved the reimbursement. Messrs. Barr and Pagels and Ms. Blosser each submitted their expense reports to their superiors, who approved their reimbursements. Mr. Barr submitted his expense report to Mr. Millenson, who approved the reimbursement, as indicated by his signature on the expense report. All four expense reports then went to the clerical department at Ortho, in the ordinary course,³ where they were processed.⁴ Elliott Millenson was reimbursed by Ortho for the \$500 contribution by check dated December 8, 1993. Messrs. Barr and Pagels and Ms. Blosser were also reimbursed by Ortho around this time.

² Ms. Blosser has since married and changed her name to Margaret Gladstone.

³ DAD used Ortho's infrastructure for processing expense reports and purchase orders, paying bills, and so forth.

⁴ In a November 22, 1993 memorandum to Frank Campbell, manager of the Ortho clerical department, James Barr addressed the reimbursement through expense reports of the four \$500 contributions to Senator Kennedy's 1994 re-election campaign. In the memorandum, titled "Contributions made by Direct Access Diagnostics," Mr. Barr stated that "[w]e realize that this is not normal [Johnson & Johnson] procedure and have contacted Corporate's Government Affairs office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions

Elliott Millenson's expense report containing this reimbursement also went to his superior Gary Parlin, DAD Chairman and a Johnson & Johnson Company Group Chairman. The practice then in effect was that Mr. Parlin would review Mr. Millenson's expenses on a quarterly basis. Although Mr. Parlin would at times question Mr. Millenson's expenses, he did not question Mr. Millenson about the reimbursement of the contribution to the Committee to Re-elect Senator Kennedy. Mr. Parlin approved this reimbursement.

Elliott Millenson also had his subsequent political contributions reimbursed through expense reports. Mr. Millenson wrote a \$500 check dated February 24, 1994 to the New American Century Fund, a federal political committee. Mr. Millenson filled out an expense report in order to be reimbursed for the contribution. The expense report went to James Barr in the ordinary course. Mr. Barr approved the reimbursement. Then Ortho personnel processed the reimbursement. Mr. Millenson was reimbursed by Ortho for the \$500 contribution by check dated April 27, 1994. His expense report also went to Gary Parlin in the ordinary course. Mr. Parlin did not question Mr. Millenson about the reimbursement of the contribution to the New American Century Fund, and approved this reimbursement.

Elliott Millenson next wrote a \$250 check dated April 27, 1994 to Friends of Tom Harkin. Mr. Millenson filled out an expense report in order to be reimbursed for the contribution. The expense report went to James Barr in the ordinary course, and again, Mr. Barr approved the reimbursement.⁵ Ortho personnel processed the reimbursement. Elliott Millenson was reimbursed

report. Please process these as soon as possible . . ." The "contributions report" refers to a list of all DAD contributions, political and otherwise, that went to Johnson & Johnson on an annual basis.

⁵ There is a handwritten note dated "5/5/94" on the expense report: "Per Jim Barr - this has been approved through the J&J lobbyist group in Washington, D.C. as was [sic] past contributions." The initials next to the writing are "JES," apparently James E. Scallon, an Ortho finance employee. There is no entity titled "J&J lobbyist group," but it

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by Ortho for the \$250 contribution by check dated June 9, 1994. His expense report also went to Gary Parlin in the ordinary course. Mr. Parlin did not question Mr. Millenson about the reimbursement of the contribution to Friends of Tom Harkin, and approved this reimbursement.

Elliott Millenson made several more contributions in October 1994. Mr. Millenson wrote a \$250 check dated October 3, 1994 to Friends of Marjorie Margolies Mezvinsky. Mr. Millenson filled out an expense report in order to be reimbursed for the contribution. The expense report went to James Barr in the ordinary course. Mr. Barr approved the reimbursement. Then Ortho personnel processed the reimbursement. Mr. Millenson was reimbursed by Ortho for the \$250 contribution by check dated October 10, 1994. The investigation in this matter has not revealed documentation of approval by Gary Parlin.

Later in October 1994, Elliott Millenson made five more contributions that were reimbursed by Ortho. Mr. Millenson wrote \$1,000 checks on October 25, 1994 to the Chabot for Congress Committee, Matt Salmon for Congress Committee, Hastings for Congress, the Ehrlich for Congress Committee, and Bilbray for Congress. Mr. Millenson filled out an expense report in order to be reimbursed for the five contributions. The expense report went to James Barr in the ordinary course. Mr. Barr approved the reimbursement. Then Ortho personnel processed the reimbursement. Mr. Millenson was reimbursed by Ortho for the \$5,000 in contributions by check dated November 2, 1994. As with the Mezvinsky Committee contribution reimbursement, the investigation in this matter has not revealed documentation of approval by Gary Parlin.

may refer to the Johnson & Johnson Government Affairs Office, and the "approval" may reference the inquiry into the legality of reimbursements prior to the contributions to the Kennedy Committee.

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Finally, Bruce Decker, a consultant/adviser to DAD, made a political contribution that was reimbursed by Ortho after approval by Elliott Millenson. On October 13, 1994, Mr. Decker contributed \$2,000 to Cal Victory '94, a joint fundraising committee supporting Senate candidate Diane Feinstein and the Democratic Senatorial Campaign Committee. Mr. Decker submitted a request for expense reimbursement in order to be reimbursed for the contribution. His request came to Elliott Millenson in the ordinary course. Mr. Millenson approved the reimbursement by signing the expense request. Bruce Decker was reimbursed by Ortho for the \$2,000 contribution by check dated November 9, 1994.

3. Analysis of Liability

Elliott Millenson made \$6,500 in federal contributions and submitted expense reports in order to be reimbursed for these contributions.⁶ Therefore, this Office is prepared to recommend that the Commission find probable cause to believe that Elliott Millenson violated 2 U.S.C. § 441f by knowingly permitting Ortho Pharmaceutical Corporation to use his name to make \$6,500 in contributions to federal political committees. In addition, Mr. Millenson asked DAD employees James Barr, Margaret Blosser, and William Pagels to make contributions with the understanding that they would be reimbursed. Further, Mr. Millenson approved, via expense reports, the reimbursements of the contributions made by James Barr and DAD consultant Bruce Decker. Therefore, Elliott Millenson also violated 2 U.S.C. § 441f by knowingly assisting in the making of corporate contributions in the names of others. See 11 C.F.R. § 110.4(b)(1)(iii). Finally, Mr. Millenson, as President and CEO of DAD, served as a corporate officer who consented to the making of the corporate contributions in this matter. Accordingly, this Office is prepared to

⁶ In February 1995, Elliott Millenson repaid Ortho the \$6,500 he had received in 1993 and 1994 as reimbursements for his contributions.

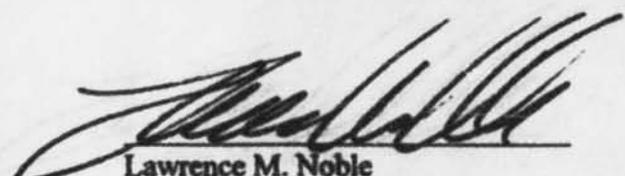
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recommend that the Commission find probable cause to believe that Elliott Millenson violated 2 U.S.C. § 441b(a) by consenting to corporate contributions to federal political committees.

III. RECOMMENDATION

Find probable cause to believe that Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f.

Date 3/26/97


Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 2, 1997

BY FACSIMILE AND FIRST CLASS MAIL

Mr. Elliott Millenson
15 Ashington Club Road
Far Hills, NJ 07931-2469

RE: MUR 4297

Dear Mr. Millenson:

This is in response to your facsimile I received this morning requesting an extension of time in which to respond to the General Counsel's brief in this matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted a 20-day extension. Accordingly, your response is due by the close of business on May 5, 1997.

In addition, you ask to meet with Commissioner Elliott in connection with this matter. This Office must decline your request. Neither the Federal Election Campaign Act of 1971, as amended, ("the Act") nor the Commission's regulations and procedures provide for oral presentations by respondents in connection with enforcement matters. The Act provides respondents ample opportunity to make written responses to the General Counsel's briefs, which are then considered by the Commission. See 2 U.S.C. § 437g(a)(3) and (4)(A)(i). Furthermore, the Commission's ex parte regulations would prohibit an individual Commissioner from meeting with a respondent while an enforcement matter is pending. See 11 C.F.R. §§ 7.15(d) and 111.22(a). If you wish to discuss this matter in person, arrangements can be made with members of the Office of the General Counsel.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Mark Allen
Attorney

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

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April 18, 1997

SENSITIVE

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
James Barr
Gary Parlin

Dear Ms. Utrecht:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by you, on January 23, 1996, the Federal Election Commission found reason to believe that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f, and that James Barr violated 2 U.S.C. §§ 441b(a) and 441f. On June 11, 1996, the Commission found reason to believe that Gary Parlin violated 2 U.S.C. §§ 441b(a) and 441f, and that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing

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Lyn Utrecht, Esq.

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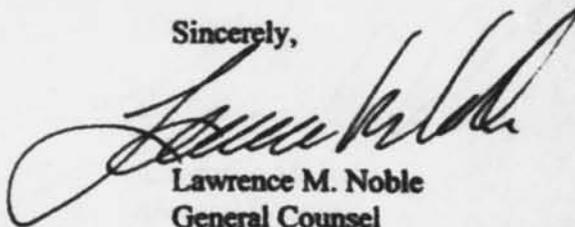
five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

Pursuant to your earlier request to obtain a copy of the deposition transcript of James Barr, you may obtain the transcript at this time. You may make arrangements with Miller Reporting Company, Inc., 507 C Street, N.E., Washington, D.C. 20002. Their telephone number is (202) 546-6666.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
James Barr
Gary Parlin

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MUR 4297

GENERAL COUNSEL'S BRIEF

I. **BACKGROUND**

On January 23, 1996, the Commission found reason to believe that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f, and that James Barr violated 2 U.S.C. §§ 441b(a) and 441f. On June 11, 1996, the Commission found reason to believe that Gary Parlin violated 2 U.S.C. §§ 441b(a) and 441f and that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f. This Office has conducted an investigation in this matter.

I. **ANALYSIS**

A. **The Law**

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for a corporation to make a contribution in connection with a federal election. This provision also forbids corporate officers and directors from consenting to a corporation's contribution. Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. This prohibition extends to persons knowingly assisting in the making of such contributions. See 11 C.F.R. § 110.4(b)(1)(iii). Finally, 2 U.S.C. § 441c prohibits any person who enters into a U.S. government contract from directly or indirectly making any contribution of money or other things of value to any federal candidate.

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B. Factual and Legal Analysis

1. Background

Direct Access Diagnostics ("DAD") is a division of Ortho Pharmaceutical Corporation ("Ortho"), a wholly-owned subsidiary of Johnson & Johnson, Inc. At the time of the activity in this matter, James Barr was DAD Director, Finance¹ and Gary Parlin was a Johnson & Johnson Company Group Chairman and was DAD Chairman. Also at this time, Elliott Millenson was President and CEO of DAD. Mr. Millenson reported directly to Gary Parlin at Johnson & Johnson. Mr. Parlin reported to another Johnson & Johnson company group chairman who in turn reported to the Vice Chairman of Johnson & Johnson. On February 2, 1995, after the activity at issue in this matter, Johnson & Johnson fired Elliott Millenson from his position as President and CEO of DAD. Mr. Millenson later prevailed in a wrongful termination arbitration against his former employer. James Barr and Gary Parlin continue to work for Johnson & Johnson.²

DAD was formed in order to develop a home AIDS test and obtain Food and Drug Administration ("FDA") approval for such product. DAD's strategy for obtaining FDA approval of its home AIDS test included political contributions, which from November 1993 through November 1994 included making corporate contributions in the names of James Barr, Elliott Millenson, two other DAD employees, and a DAD consultant. James Barr and Gary Parlin approved a number of these contributions.

In August 1993 when James Barr became DAD Director, Finance, DAD had approximately six other employees: President and CEO Elliott Millenson, Vice President of

¹ DAD had no board of directors, and Mr. Barr was not a member of the Ortho or Johnson & Johnson board of directors.

² James Barr has worked as a comptroller for Johnson & Johnson since January 1995.

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Research and Development Dr. Wendy Strongin, Office Supervisor Margaret Blosser,³ Associate Director of Development William Pagels, Dr. Strongin's administrative assistant Dot Hancock, and two doctors who performed research and development. James Barr reported to DAD CEO and President Elliott Millenson. Mr. Barr's duties included preparing budgets, forecasts for future business, and reviewing on a monthly basis DAD's payments to insure that they had been budgeted for and to compare how DAD was doing against the budget. Mr. Barr also coordinated activities with Ortho regarding the start up of the manufacturing of the home AIDS test that DAD was going to market in the future. Mr. Barr met with Elliott Millenson on a monthly basis to review any DAD payments for the month in comparison with the budget and to discuss the status of the money DAD had left to spend during the current year. Messrs. Barr and Millenson presented budgets and forecasts to DAD chairman Gary Parlin for, as Mr. Barr described in his deposition, "acceptance, review, whatever language was most appropriate."

James Barr also reviewed expense reports and purchase orders for appropriateness and had signature authority for both. Mr. Barr had signature authority for purchase orders up to \$50,000, as did Elliott Millenson. Messrs. Barr and Millenson could jointly sign for purchase orders up to \$100,000. For signature authority for expense reports, Mr. Barr testified that he did not recall the dollar amount, but did described it as "significant" and stated that it was less than that for purchase orders. Finally, expense reports and purchase orders over a certain size would have to be approved by Gary Parlin.

Regarding expense reports, which are at issue in this matter, DAD employees who incurred travel or other reimbursable expenses would submit the expense report to their supervisors.

³ Ms. Blosser has since married and changed her name to Margaret Gladstone.

Elliott Millenson, however, would submit his expense reports to James Barr. Mr. Barr reviewed the expense reports of Mr. Millenson as well as those of any employees Mr. Barr supervised, and approved the expense reports if appropriate. The expense reports would then go to the clerical department at Ortho for processing, because DAD used Ortho's infrastructure for processing expense reports and purchase orders, paying bills, and so forth. Mr. Barr in his deposition described the Ortho processing as "generally they are reviewing to make sure that the appropriate documents are attached, whether it's receipts or whatever." Ortho would then cut a check to the DAD employee. In the case of Elliott Millenson's expense reports, James Barr would forward the reports to Gary Parlin on a quarterly basis for final approval.

2. Contributions, Reimbursements and Approvals

In November 1993, Bruce Decker, President of Health Policy & Research Foundation and a consultant/adviser to DAD who developed community support for DAD's home AIDS test, asked Elliott Millenson to get four individuals to contribute \$500 each to the Committee to Re-elect Senator Kennedy in connection with a Washington, D.C. fundraiser. Mr. Millenson was interested in reimbursing the contributions. Messrs. Millenson and Barr discussed the issue, and inquiries were made regarding the legality of such reimbursements. There is conflicting sworn testimony regarding the inquiries, but James Barr testified that he spoke with Jerry Hollamen, Vice President of State Government Affairs at Ortho.⁴ Mr. Barr further testified that Mr. Hollamen told him that reimbursing political contributions was not illegal, although it was not company practice, and that he reported this information back to Elliott Millenson. Mr. Barr testified that

⁴ Standard & Poor's 1993 Register of Corporations, Directors and Executives identifies Mr. Hollamen as Ortho Director of Legislative Affairs and Trade Relations.

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Mr. Millenson told Mr. Barr that he would contact the Johnson & Johnson Government Affairs Office in Washington, D.C., and that Mr. Millenson stated that he had received a similar response.

Elliott Millenson subsequently asked DAD employees James Barr, William Pagels, and Margaret Blosser to contribute \$500 each to the Committee to Re-elect Senator Kennedy with the understanding that they would be reimbursed. Messrs. Barr and Pagels and Ms. Blosser, as well as Mr. Millenson, each wrote \$500 checks shortly thereafter. Mr. Barr's check was dated November 12, 1993.⁵

James Barr, Elliott Millenson, William Pagels, and Margaret Blosser each filled out expense reports in order to be reimbursed for the contributions. Messrs. Barr and Pagels and Ms. Blosser each submitted their expense reports to their supervisors: Mr. Barr submitted his expense report to Elliott Millenson; Mr. Pagels submitted his expense report to Dr. Strongin; and Ms. Blosser submitted her expense report to Mr. Barr. Mr. Barr, Dr. Strongin, and Mr. Millenson each approved the reimbursements, as indicated by their signatures on the expense reports. Elliott Millenson's expense report went to James Barr in the ordinary course. Mr. Barr approved the reimbursement, signing the expense report on November 23, 1993. All four expense reports then went to Andrea Munley, supervisor of the clerical department at Ortho, in the ordinary course. In a November 22, 1993 memorandum to Frank Campbell, manager of the Ortho clerical department and Andrea Munley's supervisor, Mr. Barr addressed the reimbursement through expense reports of the four \$500 contributions to Senator Kennedy's 1994 re-election campaign. In the memorandum, titled "Contributions made by Direct Access Diagnostics," Mr. Barr stated that

⁵ Because James Barr and Debra Anne Jones-Barr co-signed the contribution check, the Kennedy Committee allocated the \$500 contribution between Mr. Barr and Ms. Jones-Barr.

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"[w]e realize that this is not normal J&J procedure and have contacted Corporate's Government Affairs office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report. Please process these as soon as possible . . ."⁶ Mr. Barr testified that the contact with the Government Affairs Office referred to Elliott Millenson's inquiry to that office regarding the legality of reimbursements. The "contributions report" refers to a list of all DAD contributions, political and otherwise,⁷ that went to Johnson & Johnson on an annual basis. Frank Campbell telephoned James Barr in response to the latter's November 22, 1993 memorandum, stating that the reimbursements of the contributions was out of the ordinary. Mr. Barr acknowledged that it was out of the ordinary.

Finally, Ortho personnel processed the expense reports, and James Barr and the other three DAD employee contributors were reimbursed for their contributions by Ortho by check in early December 1993. The \$500 reimbursement check to James Barr was dated December 1, 1993.

At the end of the quarter ending December 31, 1993, James Barr forwarded Elliott Millenson's expense report containing the Kennedy contribution to Mr. Millenson's superior Gary Parlin, a Johnson & Johnson Company Group Chairman and Chairman of DAD. James Barr put a cover note on the expense reports when they were delivered to Mr. Parlin, per his usual practice. Mr. Barr testified that in his cover notes he ordinarily highlighted things that he thought were unique, but that he did not remember whether his cover note referenced the reimbursement of Mr. Millenson's contribution. No cover note pertaining to this expense report has been provided to this Office in response to the Commission's document subpoena, and Mr. Barr testified that he

⁶ Mr. Barr testified that he did not draft this memorandum in response to a question raised by someone at Ortho, but rather he was documenting a "unique" situation.

⁷ DAD made numerous contributions to AIDS organizations.

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did not have a copy of this cover note. Gary Parlin would at times question Elliott Millenson's expenses, but Mr. Millenson swore in an affidavit and Mr. Barr testified that Mr. Parlin did not question them about the reimbursement of Mr. Millenson's contribution to the Committee to Re-elect Senator Kennedy. Gary Parlin approved this reimbursement, as indicated by his signature on the expense report. Mr. Parlin stated in his affidavit that he "inadvertently reviewed and approved" this reimbursement.

Elliott Millenson's subsequent political contributions were also reimbursed through expense reports. James Barr approved each of these reimbursements, with subsequent approval of some of them by Gary Parlin. Mr. Millenson wrote a \$500 check dated February 24, 1994 to the New American Century Fund, a federal political committee. Mr. Millenson filled out an expense report in order to be reimbursed for the contribution. The expense report went to James Barr in the ordinary course. Mr. Barr approved the reimbursement, signing the expense report on April 11, 1994. Then Ortho personnel processed the reimbursement. Mr. Millenson was reimbursed by Ortho for the \$500 contribution on April 27, 1994. His expense report also went to Gary Parlin, who did not question Mr. Millenson or Mr. Barr about the reimbursement of the contribution to the New American Century Fund. Mr. Parlin approved this reimbursement, as indicated by his signature on the expense report. Mr. Parlin's affidavit makes no mention of his approval of this contribution and reimbursement.

Elliott Millenson next wrote a \$250 check dated April 27, 1994 to Friends of Tom Harkin. Mr. Millenson filled out an expense report in order to be reimbursed for the contribution. The expense report went to James Barr in the ordinary course, and again, Mr. Barr approved the reimbursement, signing the expense report on April 28, 1994. There is a handwritten note dated

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"5/5/94" on the expense report: "Per Jim Barr - this has been approved through the J&J lobbyist group in Washington, D.C. as was [sic] past contributions." The initials next to the writing are "JES," apparently James E. Scallon, an Ortho finance employee. Mr. Barr testified that there is no entity titled "J&J lobbyist group" and that it may refer to the Johnson & Johnson Government Affairs Office, and that the "approval" may reference the inquiry into the legality of reimbursements prior to the contributions to the Kennedy Committee.

Ortho personnel processed the reimbursement. Elliott Millenson was reimbursed by Ortho for the \$250 contribution on June 9, 1994. This expense report went to Gary Parlin in the ordinary course at the end of the second quarter of 1994, presumably along with the expense report containing the contribution to the New American Century Fund.⁸ Mr. Parlin stated in his affidavit that when he found the contribution to the Harkin Committee on one of Elliott Millenson's expense reports, he telephoned James Barr to verify whether or not it was legal for DAD to reimburse Mr. Millenson. Mr. Parlin avers that Mr. Barr advised him that he had checked with someone at Ortho and been told that such reimbursement was legal. Nevertheless, Mr. Parlin continues, he decided that there would be no more reimbursements of political contributions, which he conveyed to Mr. Barr. Mr. Parlin states that he did not sign or approve Elliott Millenson's expense reports at the time. Rather, he avers, he waited until he received

⁸ As with Mr. Millenson's fourth quarter 1993 expense reports noted above, there is an issue of a cover note from James Barr to Gary Parlin accompanying the second quarter 1994 expense reports. Mr. Barr testified that he did not remember whether he included a cover memo with Elliott Millenson's second quarter 1994 expense reports, but then stated "I am sure I put something on it . . ." No cover note pertaining to the second quarter 1994 expense reports has been provided to this Office in response to the Commission's document subpoena. The fourth quarter 1993 and second quarter 1994 cover notes would be significant in that they may have included statements by James Barr to Gary Parlin highlighting the reimbursements of political contributions. By contrast, respondents did provide to this Office James Barr's cover notes to Gary Parlin accompanying Elliott Millenson's first and third quarter 1994 expense reports, which contain no political contributions.

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Mr. Millenson's third quarter 1994 expense reports, which did not include any political contributions. At that time, Mr. Parlin concludes, he signed both the second and third quarter expense reports.⁹ Mr. Parlin's undated signature appears on Elliott Millenson's expense report covering the Harkin Committee contribution.¹⁰

Despite Gary Parlin's instruction to James Barr, according to the former's affidavit, that there would be no further reimbursements of contributions, James Barr approved six more of Elliott Millenson's contribution reimbursements in October 1994.¹¹ Mr. Millenson wrote a \$250 check dated October 3, 1994 to Friends of Marjorie Margolies Mezvinsky. Mr. Millenson filled out an expense report in order to be reimbursed for the contribution. The expense report went to James Barr in the ordinary course. Mr. Barr approved the reimbursement, signing the expense report on October 3, 1994. Then Ortho personnel processed the reimbursement. Mr. Millenson was reimbursed by Ortho for the \$250 contribution on October 10, 1994. The investigation in this matter has not revealed documentation of approval by Gary Parlin.

Later in October 1994, Elliott Millenson made five more contributions that were reimbursed by Ortho. Mr. Millenson wrote \$1,000 checks on October 25, 1994 to the Chabot for Congress Committee, Matt Salmon for Congress Committee, Hastings for Congress, the Ehrlich for Congress Committee, and Bilbray for Congress. Mr. Millenson filled out an expense report in

⁹ In his affidavit, Mr. Parlin states that at the time he approved the reimbursements, he "had no information or knowledge that a corporate reimbursement to an employee could in any way be considered an improper contribution from the Company." In his testimony in Elliott Millenson's wrongful termination arbitration against DAD, however, Mr. Parlin testified that in his conversation with James Barr about the reimbursements, "... I said I thought political contributions, you know, by a corporation were illegal . . ."

¹⁰ Gary Parlin signed a copy of the expense report that does not contain the James Scallon note.

¹¹ James Barr testified that he spoke with Gary Parlin about the Harkin contribution reimbursement "roughly in the July time frame." Thus, the October 1994 contribution reimbursements were only three months after Mr. Parlin's instruction.

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order to be reimbursed for the five contributions. The expense report went to James Barr in the ordinary course. Mr. Barr approved the reimbursement, signing the expense report on October 26, 1994. That same day, James Barr forwarded the expense report to Ortho with a cover memorandum to Andrea Munley stating that Elliott Millenson made the contributions "on behalf of Direct Access Diagnostics." The cover memorandum further stated that Mr. Barr was "aware that this is an exception to normal processing but [was] authorizing payment as has occurred previously." Then Ortho personnel processed the reimbursement. Mr. Millenson was reimbursed by Ortho for the \$5,000 in contributions on November 2, 1994. As with the Mezvinsky Committee contribution reimbursement, the investigation in this matter has not revealed documentation of approval by Gary Parlin. James Barr testified that due to a clerical error at DAD,¹² Elliott Millenson's expense reports containing his October 1994 contributions did not go to Mr. Parlin as was the usual practice.

Finally, Bruce Decker, a consultant/adviser to DAD, made a political contribution that was reimbursed. On October 13, 1994, Mr. Decker contributed \$2,000 to Cal Victory '94, a joint fundraising committee supporting Senate candidate Diane Feinstein and the Democratic Senatorial Campaign Committee. Mr. Decker submitted a request for expense reimbursement in order to be reimbursed for the contribution. His request came to Elliott Millenson in the ordinary course. Mr. Millenson approved the reimbursement by signing the expense request. Bruce Decker was reimbursed by Ortho for the \$2,000 contribution on November 9, 1994.

¹² In his deposition, Mr. Barr stated that the error was his responsibility. Mr. Barr left DAD on approximately November 1, 1994.

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In sum, Ortho reimbursed James Barr, Elliott Millenson, Margaret Blosser, William Pagels, and Bruce Decker for a total of \$10,000 in contributions over the period November 1993 to November 1994.¹³ James Barr, Gary Parlin, and Johnson & Johnson each played significant roles by consenting to and/or otherwise knowingly assisting in the reimbursements. See 2 U.S.C. §§ 441b(a) and 441f; 11 C.F.R. § 110.4(b)(1)(iii).

3. Analysis of Liability

i. Ortho Pharmaceutical Corporation

It is clear that Ortho reimbursed through DAD expense reports \$10,000 in contributions by James Barr, Elliott Millenson, Margaret Blosser, Bruce Decker, and William Pagels. Thus, Ortho has made contributions in the names of these five individuals. Further, Ortho is a federal contractor, and so is prohibited from making contributions. Therefore, this Office is prepared to recommend that the Commission find probable cause to believe Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f.

ii. James Barr

James Barr made a \$500 contribution to the Committee to Re-elect Senator Kennedy and submitted an expense report in order to be reimbursed for this contribution. Therefore, this Office is prepared to recommend that the Commission find probable cause to believe that James Barr violated 2 U.S.C. § 441f by knowingly permitting Ortho Pharmaceutical Corporation to use his name to make a \$500 contribution to a federal political committee. In addition, Mr. Barr, as DAD Director, Finance, approved the reimbursements of the contributions made by Elliott Millenson

¹³ James Barr, Elliott Millenson, William Pagels, and Bruce Decker repaid Ortho \$9,500 of the reimbursements in early 1995. The investigation in this matter has not revealed that Margaret Blosser repaid the \$500 reimbursement of her contribution. In addition, Bruce Decker repaid the \$2,000 reimbursement by a check drawn on what appears to be the Health Policy & Research Foundation corporate account. Mr. Decker died on November 11, 1995.

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and the contribution made by Margaret Blosser. Therefore, James Barr also violated 2 U.S.C. § 441f by knowingly assisting in the making of corporate contributions in the names of others. See 11 C.F.R. § 110.4(b)(1)(iii).

Further, Mr. Barr's duties as DAD Director, Finance are consistent with those of a corporate officer against whom liability attaches for consenting to corporate contributions under section 441b(a). Mr. Barr served as the top finance employee at DAD, which had no position titled treasurer or vice president for finance. Gary Parlin, chairman of DAD, testified at Elliott Millenson's wrongful termination arbitration against DAD ("arbitration") that he considers Barr to have been a DAD officer: "I would consider him an officer certainly. He was the highest ranking finance person in the organization." As noted above, Mr. Barr's position as DAD Director, Finance included preparing budgets and forecasts for future business. He also reviewed expense reports and purchase orders for appropriateness and had signature authority for both. Mr. Barr had signature authority for purchase orders up to \$50,000, the same level as DAD CEO and President Elliott Millenson. In addition, Mr. Barr reviewed for appropriateness Mr. Millenson's expense reports. In fact, Mr. Barr's approval of expense reports was the crucial step that caused most of the reimbursements at issue in this matter to take place. The review of the expense reports at Ortho was, in James Barr's description, a clerical processing. Mr. Barr's own writings support these descriptions. His November 22, 1993 memorandum to Frank Campbell instructs Ortho employees to "process" the reimbursements, and his October 26, 1994 memorandum to Andrea Munley was "authorizing" the payment of reimbursements. Although Ortho employees asked Mr. Barr about the reimbursements of political contributions, Mr. Barr assured them that such

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reimbursements were legal, and the reimbursements took place. In short, Mr. Barr headed DAD's finance area and performed tasks consistent with those of a corporate officer.

Commission precedent supports James Barr's officer-equivalent status. In MUR 2575, the Commission found that individuals in high level positions qualified as "officers" within the meaning of section 441b(a) due to their managerial, policymaking, or decisionmaking authority in terms of their ability to take action regarding political contributions and expenditures. A person in this position could thus consent to the making of prohibited contributions. This category would include those individuals with executive authority to approve the prohibited contribution or expenditure. Significantly, the job titles of such individuals is not dispositive; rather it is the duties of the individual that determine his or her status as an officer. See MUR 2840; cf. Colby v. Klune, 178 F.2d 872 (2d Cir. 1949) and C.R.A. Realty Corp. v. Crotty, 878 F.2d 562 (2d Cir. 1989) (officer liability under section 16(b) of the Securities Exchange Act is not based on a person's title but rather on job function). In MUR 2575, the duties of a controller and sector controller included determining whether corporate payment requests were proper and signing expense reports of the highest ranking employees of the division; thus, these were employees who could have blocked the reimbursements. The Commission concluded the positions of the controller and sector controller were sufficiently analogous to those of corporate officers to attach liability under section 441b(a).

In the present matter, James Barr approved the prohibited reimbursements, had the responsibility to determine whether the payment requests were proper, and signed the expense reports of the highest ranking employee of his division, Elliott Millenson. Thus, Mr. Barr's duties place him squarely within officer liability under section 441b(a). Accordingly, this Office is

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prepared to recommend that the Commission find probable cause to believe that James Barr violated 2 U.S.C. § 441b(a) by consenting to Ortho Pharmaceutical Corporation making corporate contributions to federal political committees.

iii. Gary Parlin

Gary Parlin, as DAD Chairman, approved at least some of the reimbursements of Elliott Millenson's contributions. The available documentation shows Mr. Parlin's approval of the reimbursements of Mr. Millenson's contributions to the Committee to Re-elect Senator Kennedy, New American Century Fund, and Friends of Tom Harkin. Therefore, this Office is prepared to recommend that the Commission find probable cause to believe that Gary Parlin violated 2 U.S.C. § 441f by knowingly assisting in the making of corporate contributions in the names of others.

Mr. Parlin also served as a corporate officer consenting to Ortho's corporate contributions. See 2 U.S.C. § 441b(a). Johnson & Johnson records specifically identify Mr. Parlin as an officer of DAD. A list titled "Officers" includes Mr. Parlin as Chairman from August 1, 1993 through April 25, 1995. Mr. Parlin's status as an officer is also indicated by his duties. Elliott Millenson, CEO and President of DAD, reported to Mr. Parlin. Messrs. Millenson and Barr presented budgets and forecasts to Mr. Parlin for, as Mr. Barr described, "acceptance, review, whatever language was most appropriate." Mr. Parlin testified in the arbitration that he was involved in DAD's budget approval process. Further, Mr. Parlin had signature authority on DAD expenditures over a certain size, i.e., larger than those that Messrs. Millenson and Barr could authorize. Finally, as noted above, Mr. Parlin had final approval of Mr. Millenson's expense reports.

In sum, Gary Parlin was an explicitly recognized DAD officer. In any event, his duties, like those of James Barr, included approval of prohibited reimbursements and thus place him

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within officer liability under section 441b(a). Accordingly, this Office is prepared to recommend that the Commission find probable cause to believe that Gary Parlin violated 2 U.S.C. § 441b(a) by consenting to Ortho Pharmaceutical Corporation making corporate contributions to federal political committees.

iv. Johnson & Johnson, Inc.

Johnson & Johnson, Inc., the parent corporation of Ortho, was also sufficiently involved in the reimbursements to warrant liability for assisting in the making of the contributions in the name of another. See 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii). Gary Parlin was the Johnson & Johnson Company Group Chairman with responsibility for DAD. Mr. Parlin was the supervisor of Elliott Millenson, DAD CEO and President, and Mr. Parlin approved Mr. Millenson's expense reports. As noted above, Mr. Parlin personally approved at least 3 of the reimbursements at issue in this matter.

In addition to Gary Parlin's role, Johnson & Johnson knew of and in fact approved of the reimbursements through its Government Relations office. As noted above, James Barr testified that as part of the effort to determine whether the reimbursement of political contributions was legal, Elliott Millenson told Mr. Barr that he contacted the Johnson & Johnson Government Affairs Office in Washington, D.C., and had been advised that such reimbursement was not illegal. This inquiry is reflected in two documents. James Barr's November 22, 1993 memorandum titled "Contributions made by Direct Access Diagnostics" regarding the reimbursement of the \$2,000 in contributions to the Kennedy Committee states that DAD has "contacted Corporate's Government Affairs office to inform them of this contribution."¹⁴ Mr. Barr explained that the contact with the

¹⁴ James Barr's November 22, 1993 memorandum also states that he will "insure the \$2,000 appears appropriately on the contributions report," a list he described in his deposition as including all DAD contributions,

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Johnson & Johnson Government Affairs office referred to Elliott Millenson's inquiry to that office regarding the legality of the reimbursements. Johnson & Johnson's approval of the reimbursements is also indicated by James Scallon's May 5, 1994 handwritten note on Elliott Millenson's expense report containing the Harkin Committee contribution: "Per Jim Barr - this has been approved through the J&J lobbyist group in Washington, D.C. as was past contributions [sic]."

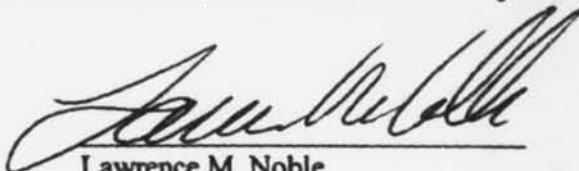
In sum, Johnson & Johnson was aware of and approved of the reimbursements. Accordingly, this Office is prepared to recommend that the Commission find probable cause to believe that Johnson & Johnson violated 2 U.S.C. § 441f by knowingly assisting in the making of corporate contributions in the names of others. See 11 C.F.R. § 110.4(b)(1)(iii).

III. RECOMMENDATIONS

1. Find probable cause to believe that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f.
2. Find probable cause to believe that James Barr violated 2 U.S.C. §§ 441b(a) and 441f.
3. Find probable cause to believe that Gary Parlin violated 2 U.S.C. §§ 441b(a) and 441f.
4. Find probable cause to believe that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f.

Date

4/17/97



Lawrence M. Noble
General Counsel

political and otherwise, that went to Johnson & Johnson on an annual basis. Thus, it appears that Johnson & Johnson was also informed of the corporate contribution via the contributions report.

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OLDAKER, RYAN, PHILLIPS & UTRECHT

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April 22, 1997

Apr 25 10 05 AM '97

FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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

RE: MUR 4297

Dear Mr. Noble:

We received your letter yesterday, April 21, 1997, notifying us that your office intends to recommend that the Commission find probable cause to believe that Ortho Pharmaceutical Corporation, Johnson & Johnson, Inc., James Barr and Gary Parlin violated certain provisions of the Federal Election Campaign Act, 2 U.S.C. § 431 *et seq.*

We request that counsel be provided with copies of all underlying materials used by the Office of the General Counsel to form the basis of its recommendation. Specifically, we request copies of all deposition transcripts, statements, interviews and other documents upon which your office is relying, quoting or referring to as its basis for any factual assertion. In the interest of fairness, we request access to these materials to provide adequate legal counsel to my clients and fully respond to the Commission's allegations.

Due to the time consuming nature of responding to the factual statements in the General Counsel's brief and legal deadlines in other matters, we will need additional time to respond to this brief. Thus, we are requesting a response due date of thirty-four days from receipt of the requested materials. That represents our remaining fourteen days from the normal response period and a twenty day extension of time.

We would greatly appreciate your assistance in this matter.

Sincerely,


Lyn Utrecht

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 23, 1997

BY FACSIMILE AND FIRST CLASS MAIL

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
James Barr
Gary Parlin

Dear Ms. Utrecht:

This is in response to your letter this Office received yesterday requesting copies of materials used to form the basis for the recommendations in the General Counsel's brief and requesting an extension of time in which to respond to the brief in this matter.

As noted in the April 18, 1997 cover letter to the General Counsel's brief, you may obtain James Barr's deposition transcript by making arrangements with Miller Reporting Company, Inc., 507 C Street, N.E., Washington, D.C. 20002. Their telephone number is (202) 546-6666. Most of the other written documentation relied upon by this Office to support the recommendations, such as Gary Parlin's affidavit and the transcript of Elliott Millenson's arbitration against Direct Access Diagnostics, is in your or your clients' possession. The one additional document, Elliott Millenson's affidavit dated December 18, 1996, is enclosed.

After considering the circumstances presented in your letter, the Office of the General Counsel has granted a 20-day extension from your receipt of this facsimile. Accordingly, your response is due by the close of business on May 28, 1997.

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Lyn Utrecht, Esq.
Page 2

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Mark Allen

Mark Allen
Attorney

Enclosure

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Elliott J. Millenson
15 Ashington Club Road
Far Hills, NJ 07931

April 24, 1997

Mr. Mark Allen, Esquire
Federal Election Commission
Washington, DC 20463

RE: MUR 4297

Dear Mr. Allen:

I am writing to respond to FEC's March 27 letter finding probable cause to believe that violations have occurred. I request that all previous briefs and affidavits filed with the Commission relating to this matter be incorporated into this response.

In considering this matter, I ask that the Commission consider 1) prior to requesting (or allowing others to request) Ortho reimbursement of contributions I sought and received advice from J & J, through DAD's Finance Director Jim Barr, that reimbursement of political contributions was allowed, and 2) prior to my receiving reimbursement for contributions, approval was granted by my division's (e.g. DAD) financial department, my company's (e.g. Ortho) financial department, and from Gary Parlin, my supervisor, a senior J & J executive and DAD's highest corporate officer.

At no time during my tenure with J & J (prior to January 19, 1995 when I learned from Steve Hofman, a DAD consultant) was I aware of the J & J policy or the federal law prohibiting reimbursement of political contributions. Immediately, after learning that reimbursement of contributions is illegal I notified my supervisor and J & J legal.

As noted in our July 26 letter to FEC, "we believe that [the enclosed] documents make a compelling case that high-level J & J executives sought to cover up the illegal political contributions, especially the active role that Gary Parlin (the J & J Company Group Chairman and DAD Chairman who approved DAD's reimbursement of most political contributions) played in the political contributions activity of DAD." [As you know, less than two weeks after notifying J & J that a violation had occurred I was fired. An arbitrator determined that I was terminated without cause. This "binding" decision was appealed by J & J and was upheld in New Jersey Superior Court.]

After bringing this matter to J & J's attention I was fired, and then spent more than \$30,000 on reimbursements and legal fees to bring this matter to FEC's attention.

Thank you for your consideration.

Sincerely,



Elliott J. Millenson

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4297
Ortho Pharmaceutical Corporation)
Johnson & Johnson)
James Barr)
Gary Parlin)

May 23 4 11 PM '97

**RESPONSE OF ORTHO PHARMACEUTICAL CORPORATION,
JOHNSON & JOHNSON, GARY PARLIN AND JAMES BARR, TO
GENERAL COUNSEL'S BRIEF RECOMMENDING PROBABLE CAUSE**

This response is submitted to the General Counsel's Brief in the above-referenced matter on behalf of Ortho Pharmaceutical Corporation ("Ortho"), Johnson & Johnson ("J&J"), Gary Parlin and James Barr. The General Counsel's office is prepared to recommend that the Commission find probable cause to believe that the Respondents violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("FECA" or "the Act").

For the reasons set forth below, we renew our earlier requests that the Federal Election Commission ("FEC" or "Commission") settle the matter in accordance with the proposals made by Ortho during pre-probable cause conciliation. We submit that there is no basis for the Commission to take any action against J&J, Gary Parlin or James Barr and urge the Commission to take no further action and close the file with respect to these Respondents. This matter was originally brought to the Commission's attention by Ortho which, upon discovering the reimbursements at issue, took immediate action to investigate and correct the situation. There is

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no evidence before the Commission of any contribution reimbursements or corporate involvement beyond that initially provided to the Commission by Ortho when it brought this matter voluntarily to the Commission's attention.

I. Statement of the Facts

A. Background

Direct Access Diagnostics ("DAD") is a division of Ortho, a Delaware corporation which is a wholly owned subsidiary of J&J, a corporation organized under the laws of the State of New Jersey. DAD, originally University Hospital Laboratories Corporation, was acquired by Ortho from Elliott Millenson and Dr. Wendy Strongin, the owners as well as its only two original employees. Elliott Millenson was retained as President and CEO and Dr. Strongin as Senior Vice President of Research and Development at DAD. DAD was run by Millenson and his wife, Dr. Strongin. All managerial, decision and policy-making decisions were determined by them. They were wholly responsible for outlining a successful plan to ensure that the product successfully obtained FDA approval.

1. Mr. Barr was Director, Finance at DAD.

When DAD was acquired by Ortho, Mr. Barr was brought in as the finance person, primarily to implement a budget process. Mr. Barr's role was to keep a budget that enabled Mr. Millenson and Dr. Strongin to meet their goal. In Mr. Barr's deposition before the FEC, he testified that his duties as Director, Finance at DAD included "preparing budgets for the company and forecast for the future business, going through on a monthly basis the payments that had occurred to insure that they were indeed budgeted for and compare how we were doing against the budget in terms of over and under budget." (Barr Dep. at 16.) Mr. Barr also stated that his position included coordination of activities with Ortho related to the start up of DAD's product.

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When DAD began operations, Mr. Barr was not responsible for the supervision of any employees. In the first quarter of 1994, Mr. Barr hired two people to assist him. (Barr Dep. at 27.) One person helped with the finance accounting of DAD and its day-to-day activities. The other person coordinated activities with Ortho related to manufacturing and operation. Additionally, one part-time employee, under Ortho, reported to Mr. Barr when she was physically at DAD. The office supervisor also reported to Mr. Barr.

One of Mr. Barr's responsibilities was to approve those expense reports of the employees who worked for him. (Barr Dep. at 23.) Mr. Barr was responsible for the sign-off on Mr. Millenson's expense reports "for initial approval . . . so that he could be immediately reimbursed," since Mr. Parlin, Mr. Millenson's supervisor, was not available to sign-off on expense reports on a regular basis. (Barr Dep. at 59.) Mr. Barr's sign-off on Mr. Millenson's expense reports was essentially ministerial since Mr. Millenson was Mr. Barr's supervisor.

Mr. Barr was not responsible for signing off on all expenditures of DAD. (Barr Dep. at 20.) Primarily, the expenses Mr. Barr signed off on were either reimbursements for travel related expenses or for the purchase of office supplies. (Barr Dep. at 21.) Mr. Barr did not have the authority to determine which expenses were appropriate, but rather signed off on those expenses that met the company's criteria of an appropriate expense. (Barr Dep. at 21-23.) If the expense was larger than Mr. Barr and Mr. Millenson's \$50,000 approval, then Gary Parlin was required to approve it. (Barr Dep. at 33.) Once Mr. Barr approved an expense report, Ortho, not J&J, provided the clerical infrastructure for processing purchase orders, expense reports and paying bills via accounts payable. (Barr Dep. at 23.) Checks issued by Ortho would then show up on the general ledger under DAD expenses. (Barr Dep. at 23.)

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2. Mr. Parlin was Chairman of DAD.

During the time in which the contribution reimbursements occurred, Gary Parlin was one of fourteen Company Group Chairmen of J&J. As such, Mr. Parlin was an employee of J&J. Company Group Chairman is a senior managerial position responsible for the operational activities of one or more operating companies within J&J. In contrast, the Executive Committee of J&J is the principal management group responsible for the operations of the Company.

As Company Group Chairman, one of Mr. Parlin's duties was to serve as Chairman of DAD. In that role, Mr. Millenson reported to Mr. Parlin, and Mr. Parlin reported to Mr. Peter Tattle, another Company Group Chairman, and thus, was several layers below the Executive Committee. Mr. Parlin was also responsible for approving Mr. Millenson's expense reports on a quarterly basis.

B. Political Contributions

Between November 1993 and November 1994, there were a total of 13 contributions, totaling \$10,000 made by four DAD employees and one DAD consultant, which were reimbursed to the employees and the consultant. Mr. Barr signed off on a total of ten contributions (nine of which were Mr. Millenson's and one of Margaret Blosser Gladstone). Mr. Parlin signed off on three of Mr. Millenson's contributions (Committee to Re-elect Senator Kennedy, Citizens for Harkin and the New Century Fund). Mr. Millenson signed off on two contributions (one contribution by Mr. Barr and one by Mr. Decker) and Dr. Strongin signed off on one (William Pagels). DAD, through Ortho, reimbursed the employees for their contributions.

Mr. Millenson, while he was President and CEO of DAD, initiated the making of political contributions by DAD employees. In November of 1993, Bruce Decker of the Health Policy and Research Foundation, a consultant to DAD, asked Mr. Millenson "to get four individuals to

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contribute \$500 each to the Committee to Re-elect Senator Kennedy" and instructed him "that the contributions had to be individual and not corporate." Millenson Aff. par. 4. Mr. Millenson apparently did not inquire with Mr. Decker as to why these political contributions needed to be from individuals, even though Mr. Decker was himself reimbursed by Ortho. (Barr Dep. at 56-57, 101-02.) Nor did Mr. Millenson apparently question Mr. Decker as to whether a corporate reimbursement was proper when Mr. Decker advised him that corporate checks were not acceptable. Mr. Millenson was responsible for approval of Mr. Decker's expense reports. (Barr Dep. at 101-02.)

Prior to the making of the first contribution, Mr. Millenson and Mr. Barr informally agreed to find out separately whether it was permissible for these contributions to be reimbursed. (Barr Dep. at 41-43, 46-47, 49.) Mr. Barr testified that he agreed to speak to someone at Ortho while Mr. Millenson told him that he would contact the J&J Government Affairs Office. (Barr Dep. at 39.) Mr. Barr testified that he spoke to Jerry Holleman at Ortho who said that it was not the usual practice, but that contributions could be reimbursed legally. (Barr Dep. at 42.)

Mr. Millenson led Mr. Barr to believe that someone at J&J Government Affairs corroborated this opinion, (Barr Dep. at 42-43), even though there is no evidence that Mr. Millenson ever spoke to anyone at J&J. In Mr. Millenson's March 5, 1996 affidavit, Mr. Millenson stated that he sought confirmation "through Mr. Barr" from J&J Government Affairs office. Millenson Aff. par. 10. Then, in the arbitration proceedings and his December 18, 1996 affidavit, Mr. Millenson contended that Mr. Barr was responsible for checking both with Ortho and J&J Government Affairs office. Millenson v. DAD, Arb. at 192-93 (May 13, 1996); Millenson Aff. par. 5 (Dec. 18, 1996). Although Mr. Barr believed that Mr. Millenson had checked with someone at J&J, there is in fact no evidence that any specific person other than Jerry

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Holleman at Ortho was contacted. In fact, Mr. Millenson asserts that he never contacted anyone at J&J and no one at J&J Government Affairs who dealt with Mr. Millenson has any recollection of Mr. Millenson requesting information regarding the permissibility of corporate reimbursement for political contributions. See attached affidavits of Jack Hall, Jr. and Shannon Salmon.

In Mr. Millenson's March 5, 1996 Affidavit he stated that upon this seemingly "confirmatory advice, and in the belief that reimbursement did not violate any company-wide J&J policy, [he] concluded, as president, that it was sound business judgment in the case of DAD (which as a new J&J company was in the process of establishing its own policies) to permit corporate reimbursement of political contributions on a case-by-case basis." Millenson Aff. par. 10. Thus, without actually confirming the information, Mr. Millenson made the executive decision to reimburse political contributions.

At Mr. Millenson's request, and based on this incorrect information, he and three other DAD employees (James Barr, William Pagels, Margaret Blosser Gladstone) each made a \$500 contribution to the Committee to Re-elect Kennedy.¹ Mr. Millenson asked these employees to make contributions in his capacity as their supervisor and as President of DAD. As his affidavit states, he concluded that it was sound business judgment to permit corporate reimbursement. These contributions were then reimbursed by the company. Subsequently, Mr. Millenson made contributions in the first and second quarter of 1994 to the New American Century Fund (\$500) (which is not a prohibited contribution on its face) and Harkin for Senate (\$250).

¹ These contributions have since been reimbursed to the corporation by the individuals, except for Margaret Blosser Gladstone.

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These contributions were submitted on routine expense reimbursement forms. Even though Mr. Millenson was Mr. Barr's boss, Mr. Barr would sign off on the expense report so that Mr. Millenson could be reimbursed and "would not be out of pocket in an immediate fashion." (Barr Dep. at 60.) Mr. Millenson's expense reports would then be sent to Mr. Parlin on a quarterly basis for final approval. (Barr Dep. at 60.) These reports were signed in Mr. Parlin's capacity as Chairman of DAD. Mr. Parlin reviewed those expense reports of Mr. Millenson's which reflected contributions to the Committee to Elect Senator Kennedy, Citizens for Harkin and the New Century Fund. The total amount of political contributions contained on expense reports actually reviewed and approved by Mr. Parlin was \$1,250, a de minimis amount.

Expense reports containing the six political contributions made in October of 1994 were never forwarded to Mr. Parlin for signature. As Mr. Barr explained in his deposition, there was an interim period when the person temporarily performing his position did not understand the procedure to forward expense reports to Mr. Parlin. (Barr Dep. at 92-94.) As a result, Mr. Parlin did not even review, much less approve. Mr. Millenson's contributions to the following campaigns: Friends of Marjorie M. Mezvinsky, Committee to Elect Steven Chabot, Salmon for Congress, Bilbray for Congress, Hastings '94 and Ehrlich for Congress.

C. Corporate Response to Reimbursement of Political Contributions

As soon as J&J became aware of the corporate contributions and expenditures reimbursed by DAD in connection with federal elections, it took immediate action to investigate and correct any wrongdoing. Management took this matter very seriously. The employees in question were contacted to determine the extent of any such reimbursement. The finance head of DAD conducted an internal review to determine all political contributions that may have been submitted for reimbursement or otherwise made directly by the company. The J&J Internal Audit Group

conducted an independent investigation at the direction of the J&J Office of General Counsel. Outside counsel was retained from the law firm of Oldaker, Ryan, Phillips & Utrecht to provide advice on necessary remedial action. The company obtained refunds of \$9,500 for federal contributions that had been submitted for reimbursement.

Additional steps were taken, including providing additional training to ensure that employees are aware of J&J's policy and the law that prohibits the reimbursement of federal political contributions under any circumstances. On April 3, 1995, J&J held a training session on political contributions for all senior managers, including Operating Company Presidents, Company Group Chairmen and members of the Executive Committee. The training session was conducted by Russell C. Deyo (Associate General Counsel in charge of litigation), John P. Hall, Jr. (Vice President of Government Relations), Roger S. Fine (Vice President Administration) and Robert N. Wilson (Vice Chairman). Additionally, in preparation for the 1996 elections, J&J issued the attached memorandum to the Executive Committee, all Company Group Chairmen, Domestic Presidents, General Managers and Corporate Department Heads. The memorandum provides information regarding the prohibition on the use of company funds for unlawful political activities.

Finally, Ortho voluntarily brought this matter to the attention of the Commission. Ortho and the Commission were close to settling this matter until Elliott Millenson apparently made a submission to the FEC including allegations of a corporate "cover-up." In light of the fact that Ortho brought this matter directly to the attention of the FEC, this allegation is ludicrous. Ortho has acted responsibly and assumed full responsibility for any wrongdoing from the beginning.

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D. Evidence of Corporate Compliance

In the course of its investigation of this matter, the Office of General Counsel has not found any evidence of corporate involvement that Ortho did not bring to the Commission's attention originally. The only evidence in support of additional corporate involvement put forth by Mr. Millenson is his allegation that certain expense reports were without Mr. Parlin's signature, suggesting to him that documents may have been altered. Millenson Aff. par. 21, 28 (March 5, 1996). This is incorrect. As previously explained by Mr. Barr, the only expense reports which did not have Mr. Parlin's signature were those reports that were not forwarded to Mr. Parlin by a temporary employee who was taking Mr. Barr's position. Ortho submitted to the Commission all copies of expense reimbursements and has fully explained the absence of Mr. Parlin's signature on the ones that went forward immediately after Mr. Barr's departure. Therefore, there is no basis for Mr. Millenson's allegations.

The Commission took the deposition of James Barr on December 5, 1996. According to counsel for the Commission, however, Mr. Millenson's deposition was never taken and the Commission continues to rely on Mr. Millenson's affidavits and testimony from an unrelated arbitration proceeding to provide the factual basis for its findings. Mr. Millenson's testimony and affidavits have not been cross examined in light of the other evidence before the Commission and are not of the same probative value as the other evidence presented in this matter. In fact, due to the employment dispute between Millenson and the company arising out of the termination of Mr. Millenson's employment, the Commission must appreciate the obvious resentment reflected in Mr. Millenson's position toward DAD at the time his statements were made to the Commission.

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In light of the fact that there is no new evidence before the Commission, we request that the matter be settled in accordance with the proposals made by Ortho during pre-probable cause conciliation.

II. The allegation that J&J assisted in the making of contributions in the name of another is without factual or legal basis, and thus, there is no reason for the Commission to find that J&J violated § 441f.

No J&J funds whatsoever were used to reimburse any employee political contributions. Notwithstanding the total absence of J&J financial involvement, the General Counsel's Brief makes two contentions to find J&J liable under § 441f. The Brief first suggests that Mr. Parlin's status or "role" in J&J provides the legal basis to find J&J violated the law. The Brief then suggests that Mr. Millenson's alleged contact with the J&J Government Affairs office is evidence that J&J "approved" these political contributions. As explained below, and as set forth in the affidavits of John P. Hall, Jr. and Shannon Salmon, there is no factual or legal support for either of these propositions. Thus, there is no basis for the General Counsel's office to recommend probable cause against J&J.

A. There is no evidence that any officers of J&J approved or consented to the reimbursement of political contributions, and thus, J&J did not violate § 441f.

Without any factual or legal basis, the Brief alleges that J&J "assisted in the making of the contributions in the name of another." There is no evidence J&J was involved in the reimbursement of political contributions or that any officer of J&J knew of, approved or consented to the reimbursements at issue. In the Factual and Legal Analysis accompanying the Commission's letter of June 18, 1996, the General Counsel's office based its recommended finding of reason to believe against J&J on the basis that Mr. Parlin was an "official" of J&J. Factual and Legal Analysis, at 4 (June 18, 1996). In its Brief of April 17, 1997, however, Mr. Parlin is

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identified as "an officer of DAD." Brief, at 14 (April 17, 1997). It is on the basis of Mr. Parlin's alleged officer status in DAD that the General Counsel's office recommends its proposed finding that Parlin consented to the making of a contribution by Ortho. The Brief then proceeds, without explanation or support, to use this finding to assert that it was Mr. Parlin's role on behalf of J&J that forms the basis for the justification of J&J liability for the contribution reimbursements.

The General Counsel's office disregards the uncontroverted evidence submitted by J&J that Mr. Parlin was not a corporate officer of J&J. In fact, there is no basis for finding Mr. Parlin an officer or director of J&J from August 1, 1993 through April 25, 1995 when he was Chairman of DAD, and this is fully supported by the only evidence before the Commission, i.e., the J&J corporate documents submitted and the Affidavit of Donna Malin, Assistant General Counsel.

Mr. Parlin was a Company Group Chairman. A Company Group Chairman is a supervisory function for J&J operating companies. Since J&J is a holding company, each operating company is an independently incorporated subsidiary and maintains a clear corporate separation. A Company Group Chairman has no influence over the business of J&J, has no decision-making authority for J&J, and has no ability to obligate J&J. Mr. Parlin was not an officer of J&J. J&J is managed by an Executive Committee and Mr. Parlin did not even report to a member of this committee, but rather, to another Company Group Chairman, Mr. Tattle. (Barr Dep. at 19.). Thus, Mr. Parlin is several reporting levels removed from those individuals who are in fact J&J officers. See affidavit of Peter S. Galloway.

Mr. Parlin was not responsible for supervising any J&J employees. Mr. Parlin's direct reports did not include employees of J&J. Only employees of the operating companies he supervised, such as Mr. Millenson, reported to him. In summarily rejecting the evidence supplied by Respondents, the Brief does not provide any support for finding Mr. Parlin an officer of J&J,

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if, indeed, this is the General Counsel's position.² There is simply no evidence to find Mr. Parlin an officer of J&J or to use his role at J&J as a sufficient basis for a finding against J&J.

Although unclear, the General Counsel's Brief apparently contends that Mr. Parlin was acting as an officer of J&J by relying on MUR 2575 (Toshiba America, Inc.) as authority. In MUR 2575, General Counsel relied on Colby v. Kune, 178 F.2d 872 (2d Cir. 1949), decided under the Securities Exchange Act, in which the court determined that an employee's duties are dispositive of whether he is a corporate officer, not his title. However, in 1991, the SEC changed its definition of an "executive officer." The definition designates as executive officer the president, the principal financial officer, the principal accounting officer (or controller), any vice president of the issuer in charge of a principal business unit, division, or function, any other officer who performs a policy-making function (must be a significant policy-making function) and any other person who performs similar policy-making functions for the issuer. Thus, in accordance with Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Livingston 566 F.2d 1119, 1122 (9th Cir. 1979) (holding an account executive with the title of "vice president" was not an officer under Section 16(b) because he did not perform "any important executive duties" and did not have access to "confidential information" that would have given him an advantage with company securities) those people with ceremonial titles who do not have significant executive

² If the General Counsel's position is in fact that Gary Parlin is an officer of J&J, a position refuted by the evidence submitted on behalf of J&J, then the General Counsel's office should be required to articulate its basis for that conclusion, and we should have an opportunity to respond to it. Since the analysis relative to Mr. Parlin, Brief at 14-15, does not explain why his actions implicate J&J, we do not understand the basis for the conclusion in Part iv. that Mr. Parlin's "role" provides the basis for a finding of probable cause against J&J.

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responsibilities are excluded. Even under the SEC case law cited by the General Counsel's office, Mr. Parlin's position at J&J is not that of a corporate officer.

In fact, J&J and its officers are covered by Section 16(b) of the Securities Exchange Act and the reporting provisions at issue in the cases relied on by the General Counsel's office. The Commission's authority for finding Mr. Parlin an officer of J&J is insupportable because under the Securities Exchange Act of 1934, Mr. Parlin is not considered either an actual or an apparent officer of J&J. See affidavit of Peter S. Galloway. Thus, the only authority relied on by the General Counsel's office does not support its conclusion that a J&J corporate officer was involved in approving political contributions.

Even assuming arguendo that Mr. Parlin was a corporate officer of J&J, the mistaken approval of only \$1,250 in political contributions does not warrant a finding of probable cause against J&J. This de minimis amount does not constitute sufficient reason for the Commission to take action against J&J, since no J&J funds whatsoever were involved in making the contributions or the reimbursements, and the mistaken belief of an individual that reimbursement was permissible can hardly be evidence of corporate consent to the making of a contribution by another corporate entity in the name of another.

B. There is no evidence that James Barr or Elliott Millenson spoke to anyone at J&J Government Affairs Office to support a finding against J&J.

There is, in fact, no evidence that anyone at J&J provided information that corporate reimbursement was permissible. According to Mr. Barr's testimony, he spoke with someone at Ortho and Mr. Millenson told him that he was going to check with someone at J&J Government Affairs to determine whether it was appropriate for political contributions to be reimbursed. However, it appears that Mr. Millenson never spoke to anyone at J&J about this issue.

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The Office of General Counsel at the FEC never sought confirmation as to whether the J&J Government Affairs office was contacted. Mr. Barr testified that he did not contact J&J, and Mr. Millenson, without cross-examination, appears to have said that he did so "through Mr. Barr." Even though Mr. Millenson said he would contact J&J Government Affairs, it is evident that he did not. Thus, we are at a loss to understand the General Counsel's factual conclusion that an unnamed person in the J&J office approved the reimbursement of these contributions. Attached are affidavits from John P. Hall, Jr., VP, Government Affairs and Shannon Salmon, VP Federal Relations, both of whom were in the Government Affairs office at the relevant time. Their affidavits state that they have no recollection of a phone call from Elliott Millenson on this subject matter. Thus, there is no basis for attaching liability to J&J when there is no factual basis to believe that anyone at J&J Government Affairs was even contacted.

Mr. Barr believed that Mr. Millenson had checked with J&J, as he told Mr. Barr he had. Although, the expense report identifying the Harkin contribution contained a handwritten note stating: "May 5th, 1994, per Jim Barr, this has been approved through the J&J lobbyist group in Washington, D.C. as was past contributions," (Barr Dep. at 79.) Mr. Barr was only repeating what Mr. Millenson had told him. Thus, there is in fact no evidence that J&J was contacted and no factual basis for the General Counsel's conclusion that J&J knew of or authorized these reimbursements. There is no reason for the Commission to find probable cause that J&J violated § 441f.

III. The General Counsel has no factual or statutory authority to support its assertion that Gary Parlin and James Barr were acting as officers of the corporation, and thus, violated § 441b(a) of the Act.

In order to find a violation of 2 U.S.C. § 441b by a corporate officer, there must be the factual basis establishing that a corporation of which the individual was an officer at the time made a contribution that was consented to by the officer. Thus, in this case, the General Counsel must identify which corporation made the contribution and who was an officer at the time. Since

the alleged contributions were indisputably made by Ortho, and neither Mr. Parlin nor Mr. Barr were officers of Ortho at the relevant times, neither individual could be found in violation of § 441b as a corporate officer.

A. Gary Parlin was not an officer of either corporation, and thus, not liable under § 441b of the Act.

1. Gary Parlin was not an officer of DAD.

Mr. Parlin was not an officer of DAD. The Brief mistakenly identifies Mr. Parlin as a corporate officer of DAD under § 441b of the Act. DAD is a division of Ortho, and therefore had no corporate officers within the meaning of 1 U.S.C. § 1. Thus, the Brief is factually incorrect in stating that "Mr. Parlin was an explicitly recognized DAD officer" because DAD is not a separately incorporated entity and had no officers.

2. Gary Parlin was not an officer of Ortho during the relevant time period.

Mr. Parlin was not an officer of Ortho during the relevant time period in which employees were reimbursed by the company for political contributions. Subsequent to the activity at issue, Mr. Parlin served as President of Ortho from May 1, 1983 to December 29, 1986. There is no dispute that Ortho was directly involved in the reimbursement of corporate funds for political contributions. However, this is no basis to bootstrap liability to Mr. Parlin for activity that occurred at a time when he had not attained officer status.

3. Gary Parlin was not an officer of J&J.

As previously argued in Section II.A., there is no basis for finding Mr. Parlin an officer of J&J. Mr. Parlin is not an officer in J&J corporate documents. Mr. Parlin's position as Company Group Chairman does not give him any ability to influence the decision and policy-making procedures of J&J. Mr. Parlin, in fact, is several levels removed from the J&J officers responsible

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for the management of the business. Nor is Mr. Parlin an officer within the meaning of Section 16(b) of the Securities Exchange Act. There is simply no basis for finding Mr. Parlin an officer of J&J.

4. Gary Parlin signed off on expense reports including \$1,250 in political contributions, and due to the *de minimis* amount, there is no reason for the General Counsel's Office to seek personal liability for his inadvertent mistakes.

Even assuming arguendo that Mr. Parlin was a corporate officer of some relevant corporation at the time of these reimbursements, the mistaken approval of only \$1,250 in political contributions does not warrant a finding of probable cause against him. This *de minimis* amount does not constitute sufficient reason for the Commission to take action against Mr. Parlin personally.

These expense reports were approved by Mr. Parlin in good faith based upon the incorrect belief that corporate reimbursement of employee political contributions was appropriate. The arbitrator in the dispute between Mr. Millenson and DAD found that Mr. Parlin was unaware of the law. The decision states that "[a]lthough political contributions by a corporation such as Ortho are illegal, Millenson was unaware of that law, and so, also was the DAD Chairman, Gary Parlin." Millenson v. DAD, Arb. at 8 (1996). Despite Mr. Parlin's belief that reasonable, prudent steps had been taken to ensure that the reimbursements were permissible, Mr. Parlin was uncomfortable with the reimbursement of political contributions and issued a memorandum to Mr. Millenson directing him not to make any more political contributions without his express approval. Under these circumstances, any action against Mr. Parlin is unwarranted.

- B. James Barr is not a corporate officer of either corporation within the meaning of § 441b, and thus, not liable under the Act.

The evidence before the Commission does not support the General Counsel's assertion that Mr. Barr's responsibilities were those of a corporate officer under § 441b(a). While the Brief alleges that Mr. Barr performed functions of an officer, the evidence is that he did not. Mr. Barr

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did not participate in decision-making meetings about the running and operations of DAD. Those decisions remained under the sole discretion of Mr. Millenson. Mr. Barr did meet on a monthly basis with Millenson to discuss whether DAD was keeping to its budget. Tracking the budget of DAD, reviewing expense reports and providing general financial support are not the responsibilities of a corporate officer. Even Mr. Millenson does not identify him as an officer, but describes Mr. Barr's functions at DAD as equivalent to those of a senior office manager in charge of finance. Millenson Aff. par. 10 (March 5, 1996). While in the arbitration proceeding Mr. Parlin identified Mr. Barr as the highest ranking finance person in the organization, there were only six employees in the organization at the end of 1993 and he was the only financial one, so it is not surprising that he would be thought of as "senior." This does not, however make him an officer of any corporation, since DAD was not separately incorporated and he was clearly not an officer of Ortho. Mr. Barr has never been an "officer" of any corporation within the coverage of SEC Form 4 reporting relied on in the General Counsel's Brief. The General Counsel's unsupported assertion that he is an officer of an entity that is a division of a corporation of which he is clearly not an officer is simply incorrect.

In fact, the weight of the evidence demonstrates that it was Mr. Millenson who not only made the political contributions but also authorized and approved the reimbursement of political contributions by DAD. In Mr. Millenson's Affidavit dated December 16, 1996, he stated that DAD's strategy to obtain FDA approval of its product included political contributions. Millenson Aff. par. 3. This statement, as well as the supporting information, illustrate that it was in fact Mr. Millenson who authorized the use of political contributions, and was behind every political contribution made by DAD. It is clear that Mr. Barr was involved only to the extent that he

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signed off on expense reports in the belief that the reimbursements requested by his supervisor, Mr. Millenson, were proper.

C. There is no statutory authority to find that either Gary Parlin or James Barr was acting as an officer of any corporation, and thus, in violation of § 441b(a) of the Act.

1. The managerial positions of Gary Parlin and James Barr do not provide an adequate basis for the General Counsel to find they were acting as corporate officers, and thus, neither of them violated § 441b(a).

Pursuant to company policy and legal documents, it is clear that neither Mr. Parlin nor Mr. Barr were in fact corporate officers of Ortho or J&J at the time of these reimbursements. Since DAD is not and was not a separately incorporated entity, it is impossible to follow the General Counsel's analysis that concludes that both were officers of some corporate entity within the meaning of § 441b. Notwithstanding the evidence to the contrary, the General Counsel's Brief alleges Mr. Parlin and Mr. Barr acted as corporate officers based solely on their authority to approve and sign-off on expense reports, respectively. This is legally as well as factually incorrect. Section 441b(a) of the Federal Election Campaign Act of 1971, states that it is unlawful for "any officer or any director of any corporation . . . to consent to any contribution or expenditure by the corporation" 2 U.S.C. § 441b(a). Section 1 of Title 1 of the United States Code says "in determining the meaning of any Act of Congress, unless the context indicates otherwise, an 'officer' includes any person authorized by law to perform the duties of the office." 1 U.S.C. § 1. Thus, only those individuals authorized by law to be officer or directors of a corporation may be liable for consenting to contributions or expenditures by the corporation.

There is no legal basis for the General Counsel's apparent position that individuals who play any type of managerial role in a corporation are corporate officers. As previously presented to the Commission, Section 7 of the By-Laws of Ortho Pharmaceutical Corporation authorizes its Board of Directors to establish administrative divisions of the corporation and to appoint a Management Board, the Chairman, President and/or General Manager of the Management Board to run the divisions. The Management Board may then appoint one or more Vice-Presidents, a

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Treasurer and other division officers as necessary. Pursuant to this provision, Ortho authorized DAD to become an administrative division of Ortho on November 23, 1992. At no time did Mr. Barr serve as an officer of DAD (which had no officers), or as an officer or director of Ortho within the meaning of the Ortho Pharmaceutical By-Laws. During the period in question, Mr. Parlin did not serve as an officer of DAD, an officer or director of Ortho within the meaning of the Ortho Pharmaceutical By-Laws or an officer or director of J&J. The Brief does not even address the By-Laws and other legal governing documents of the corporations. It is insupportable for the Commission, with no legal or factual basis, simply to declare someone an officer of a corporation directly contrary to the governing corporate legal documents and law.

2. The General Counsel relies on non-binding authority and unrelated cases to form the basis for the allegation that Gary Parlin and James Barr were acting as corporate officers within the meaning of § 441b.

As set forth in Section II.A., legal authority relied upon by the General Counsel does not support the conclusion that either Mr. Parlin or Mr. Barr was a corporate officer. As previously explained, the General Counsel relies on case law decided under the Securities Exchange Act. Even under the SEC case law, Mr. Parlin's position does not equal that of a corporate officer. Mr. Parlin has never filed a Form 4, and under the Securities Exchange Act of 1934, Mr. Parlin, is not considered either an actual or apparent officer. See affidavit of Peter S. Galloway. Additionally, Mr. Barr has never filed a Form 4, and under the SEC case law, Mr. Barr is not considered a corporate officer. Thus, the authority cited by the General Counsel's office does not support the conclusion that any corporate officer was involved in approving political contributions.

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3. The legislative history of the FECA does not support finding individuals in the corporate structure as corporate officers, unless they meet the definition of § 441b.

The legislative history of the FECA supports the Respondent's contention that the Commission must look to corporate documents to determine who is an officer of a corporation. In fact, the authors of FECA specifically changed another provision of the Act using similar language, 2 U.S.C. § 441b(b)(A), from "executive officer" to "executive or administrative personnel" so as to expand the definition in that section to include employees who run the corporation's business, such as "officers, other executives, and plant, division, and section managers . . ." Federal Election Commission, Legislative History of Federal Election Campaign Act Amendments of 1976, at 1056 (1977) (citing H.R. REP. NO. 1057, to accompany S. 3065, 94th Cong., 2d Sess. 63 (1976)). Thus, if the drafters had intended anyone other than a director or officer of the corporation to be personally liable for corporate actions under 2 U.S.C. § 441b(a), they would have changed the term of this provision to reflect such an intention, as they did in other sections of the Act. Instead, Congress has limited personal liability to those individual corporate officers and directors who traditionally have a fiduciary duty to the corporation. Thus, since neither Mr. Parlin nor Mr. Barr were an officer within the meaning of the FECA, the Commission should take no further action with respect to either of them.

- IV. James Barr did not knowingly permit his name to be used to make a contact in the name of another, and thus, did not violate § 441f.

Mr. Barr did not knowingly permit his name to be used to make a contribution in the name of another, and thus, did not violate § 441f. It is evident from Mr. Barr's deposition that he had no knowledge of the prohibition against political contributions, and that he did not knowingly permit Ortho to use his name to make a political contribution. Mr. Barr made only one \$500

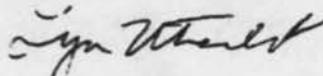
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contribution himself and did so because he was asked by his supervisor. He only made the contribution after he believed he had determined that it was permissible for him to be reimbursed. The record reflects that Mr. Barr did not learn that it was impermissible to reimburse political contributions until the first quarter of 1995. (Barr Dep. at 102-03.) There is no basis for taking any action against Mr. Barr under § 441f based on these facts.

Conclusion

As stated above and in our previous responses, the Respondents brought this matter to the Commission's attention and have rectified the mistakes. Under these circumstances, there is simply no basis in this matter for the Commission to take any further action against J&J, Mr. Parlin and Mr. Barr.

Sincerely,


Lyn Utrecht

Attachments

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Johnson & Johnson

JOHN P. HALL, JR.
VICE PRESIDENT
GOVERNMENT AFFAIRS & POLICY

ONE JOHNSON & JOHNSON PLAZA
NEW BRUNSWICK, NJ 08933
TEL. (908) 524-2404
FAX (908) 528-5708

March 20, 1996

Executive Committee
Company Group Chairmen
Domestic Presidents and General Managers
Corporate Department Heads

Attached are the Corporation's Guidelines on Political Contributions in the United States. With 1996 a major election year, it is particularly important to disseminate them to the appropriate individuals in your organization.

Thank you for your help.


J. P. Hall, Jr.

Attachment

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Guidelines on Political
Contributions in the United States

As set forth in the worldwide Policy on Business Conduct, Johnson & Johnson encourages employees to be personally involved in political affairs but prohibits any use of company funds or assets for political activities unless such use is lawful and approved by the appropriate Company Group Chairman.

In the United States, political contributions in connection with both federal and state elections are heavily regulated, with misuse of corporate funds carrying both civil and criminal penalties. The guidelines presented below provide direction on the use of company funds and assets in federal, state and municipal elections in this country.

1. The Johnson & Johnson Employees Good Government Fund is the vehicle for providing financial support to candidates for federal, state and municipal elective offices. The Good Government Fund is funded by voluntary contributions from executive and administrative personnel and managed by an employee advisory committee. Requests for contributions from the Good Government Fund by candidates in federal elections should be forwarded to the Vice President of Federal Relations, Corporate Staff at the Washington, D.C. office. Requests from candidates in state and municipal elections should be sent to the Vice President State Relations, Corporate Staff, at Corporate Headquarters in New Brunswick.

2. NO corporate or operating company funds shall be used to support individual candidates for federal, state or municipal elective office, to support political parties or campaign committees (such as the Republican or Democratic National Committees), or to reimburse employees who contribute to candidates, political parties or campaign committees. This prohibition applies to the purchase of tickets for fund-raising dinners or events as well as to direct campaign contributions. Similarly, corporate or operating company assets (such as company stationary or

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photocopying equipment) should not be used for political campaigns or activities.

3. From time to time, individual candidates request financial support but do not accept Good Government Fund contributions. Employees are of course free to contribute personal funds and services, but corporate or operating company assets should not be used to solicit contributions.

4. In addition to requests for support of political campaigns, the corporation and operating companies may be approached by foundations or other organizations which have a close relationship with an individual candidate or political organization. Such requests should be reviewed by the Vice President Corporate Contributions, the Corporate Vice President of Government Affairs & Policy, the Law Department and the appropriate Company Group Chairman.

5. Any questions regarding these guidelines should be directed to the Corporate Vice President of Government Affairs & Policy or to the Law Department.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
ORTHO PHARMACEUTICAL CORPORATION)
JOHNSON & JOHNSON)
GARY PARLIN)
JAMES BARR)

MUR-4297

MAY 29 11 59 AM '97

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

DECLARATION OF PETER S. GALLOWAY

I, PETER S. GALLOWAY, declare and state as follows:

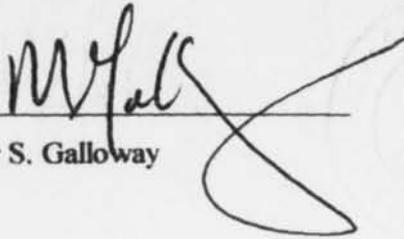
1. I am the Secretary of Johnson & Johnson ("J&J"), a position I have held since April 28, 1994. I am also an Associate General Counsel of Johnson & Johnson, with primary responsibility for corporate legal matters for J&J.

2. I understand that Gary V. Parlin ("Parlin"), who is one of several Company Group Chairmen of J&J, approved corporate reimbursement of certain political contributions. I further understand that the Federal Election Commission ("FEC") has taken the position that Mr. Parlin is an "officer" of J&J and that based on his role on behalf of J&J, a finding of probable cause against J&J for violation of the Federal Election Campaign Act of 1971, as amended (the "Act") is appropriate.

3. At no time was Parlin an officer of J&J. This is verified by the attached excerpt in the J&J Annual Report which delineates the officers of J&J. The annual report also indicates that the Executive Committee of J&J is the principal management group responsible for the operations of the company. Mr. Parlin is neither a member of the Executive Committee nor does he report to a member. He is several managerial levels below the Executive Committee. In addition, Parlin has no policy making function or role at J&J and is not considered a statutory insider for purposes of Section 16(b) of the Securities Exchange Act of 1934. Indeed, as Secretary of J&J, I am responsible for filing Form 4's with the Securities and Exchange Commission which designates statutory insiders. At no time has a Form 4 been filed on behalf of Parlin because he is neither an officer of J&J nor does he perform any policy making function.

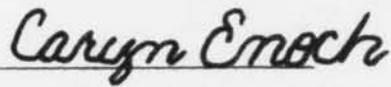
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4. In sum, there is no support in the FEC's position that Parlin was an officer of J&J. Thus, there's is no basis for finding J&J liable for reimbursement of political contributions on the basis of Parlin's conduct.



Peter S. Galloway

SWORN to before me
this 28 day of May, 1997



Notary Public

CARYN ENOCH
A Notary Public of New Jersey
My Comm. Expires on September 24, 2000

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BEFORE THE FEDERAL ELECTION COMMISSION

MAY 29 12 00 PM '91
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

In the Matter of

ORTHO PHARMACEUTICAL CORPORATION,
JOHNSON & JOHNSON, GARY PARLIN and
JAMES BARR.

MUR 4297

DECLARATION OF JOHN P. HALL, JR.

I, John P. Hall, Jr., declare and state as follows:

1. I am Vice President, Government Affairs and Policy, at Johnson & Johnson. I have held this position since May 1994 and am responsible for matters relating to government relations. Prior to May 1994, I was Vice President, Federal Relations, in the Johnson & Johnson Government Affairs Office in Washington, D.C.

2. During that period, I spoke to Elliott Millenson, former President and CEO of Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Ortho"), on a number of occasions. At no point did Mr. Millenson ever contact me or, to my knowledge, any other member of the Washington office to discuss whether it was appropriate to reimburse political contributions with corporate funds. Had Mr. Millenson discussed the appropriateness of this use of corporate funds, I would have advised him that such conduct was inappropriate and in violation of the Federal Election Commission laws. At no time did I advise Mr. Millenson that corporate reimbursement was

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permissible, nor am I aware that anyone else gave such advice to him. Indeed, the primary person in the Washington office with whom Mr. Millenson spoke other than myself was Shannon Salmon, Vice President, Federal Relations. I have been advised that Mr. Millenson did not seek advice about reimbursement for political contributions from Ms. Salmon. Similarly, I did not speak to Jim Barr, Director of Finance at DAD, about the permissibility of corporate reimbursement for political contributions.

3. In sum, neither I nor to my knowledge, any other employee in the Johnson & Johnson Government Affairs Office in Washington, D.C. provided information that corporate reimbursement of political contributions was permissible or appropriate.

Dated: May 28th, 1997

By: *John P. Hall, Jr.*
John P. Hall, Jr.

Sworn and Subscribed To Before
Me This 28th Day of May, 1997.

Caryn Enoch
Caryn Enoch

CARYN ENOCH
A Notary Public of New Jersey
My Comm. Expires on September 22, 2004

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BEFORE THE FEDERAL ELECTION COMMISSION

JUL 21 11 23 AM '97

In the Matter of)
)
Elliott Millenson)
Ortho Pharmaceutical Corporation)
Johnson & Johnson, Inc.)
James Barr)
Gary Parlin)

MUR 4297

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter involves the corporate reimbursement of \$10,000 in contributions.

On January 23, 1996, the Commission found reason to believe that Elliott Millenson and James Barr each violated 2 U.S.C. §§ 441b(a) and 441f and that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f. On June 11, 1996, the Commission found reason to believe that Gary Parlin violated 2 U.S.C. §§ 441b(a) and 441f and that Johnson & Johnson, Inc. violated 2 U.S.C. § 441f. After an investigation in this matter, on March 27, 1997, this Office sent a probable cause brief to Elliott Millenson, and on April 18, 1997, this Office sent a probable cause brief to Ortho Pharmaceutical Corporation, Johnson & Johnson, Inc., James Barr, and Gary Parlin.¹ Elliott Millenson responded on April 28, 1997, and the other respondents replied on May 28, 1997. As set out below, this Office now recommends that the Commission make probable cause to believe findings regarding much of the activity and take no further action regarding the rest.

¹ Ortho Pharmaceutical Corporation, Johnson & Johnson, Inc., James Barr, and Gary Parlin are all represented by the same counsel, and this Office included these four respondents in one brief.

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II. ANALYSIS

A. Summary of Probable Cause To Believe Recommendations and No Further Action Recommendations

It is undisputed in this matter that Ortho impermissibly reimbursed \$10,000 in contributions by Elliott Millenson, James Barr, and three other individuals. It is also undisputed that some attempt was made to ascertain the legality of such reimbursements, and that Mr. Millenson, Mr. Barr, and Gary Parlin approved various of the contribution reimbursements.

Elliott Millenson in his Reply Brief does not dispute his liability, but rather raises mitigating circumstances such as his seeking advice regarding the legality of reimbursing contributions and his ignorance that such reimbursements were illegal. Attachment 1. These are issues most appropriately considered in conciliation. See *infra* page 11. Thus, this Office recommends that the Commission find probable cause to believe that Mr. Millenson violated 2 U.S.C. §§ 441b(a) and 441f.

Ortho and the other respondents, by contrast, take issue with who is legally responsible for the improper reimbursements. Through carefully crafted and bootstrapped arguments, these respondents' Reply Brief concludes that no individually-named respondents bear responsibility, and that Johnson & Johnson, the parent corporation, is shielded as well. Attachment 2. This Office disagrees. However, in light of the age of the activity and the modest amount involved in the violations, this does not appear to be the case in which to pursue such vital issues as the contours of section 441b(a) officer liability, which in any event would require further investigation. Thus, although we detail some major flaws of respondents' arguments below, we recommend limited

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probable cause to believe findings. Specifically, this Office recommends that the Commission find probable cause to believe that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f, and that James Barr and Gary Parlin each violated 2 U.S.C. § 441f. We further recommend that the Commission take no further action regarding James Barr's and Gary Parlin's officer liability under 2 U.S.C. § 441b(a), and take no further action and close the file regarding Johnson & Johnson.

B. Ortho et al. Reply Brief

1. The Section 441b(a) Officer Liability of James Barr and Gary Parlin Does Not Depend on Titled Officer Status

The Reply Brief argues at length that since neither James Barr nor Gary Parlin were titled officers of either Johnson & Johnson or Ortho, and DAD was not a separate corporate entity, they cannot face section 441b(a) liability as corporate officers for consenting to the making of corporate contributions. The Reply Brief also appears to argue that even if the functional analysis applies for officer consent liability, Mr. Barr's duties as DAD director, finance were not consistent with those of a corporate officer.

The General Counsel's Brief does not state that James Barr and Gary Parlin were titled officers of either Johnson & Johnson or Ortho, but rather that Messrs. Barr and Parlin exercised duties that place them squarely within section 441b(a) officer liability, and cites supporting Commission precedent and case law. General Counsel's Brief ("GC Br.") at 12-15. An additional key factor noted in the General Counsel's Brief is Mr. Parlin's testimony at Elliott Millenson's wrongful termination arbitration against DAD that he considers Barr to have been a DAD officer: "I would consider him an officer certainly. He was the highest ranking finance person in the organization." GC Br. at 12.

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The Reply Brief only focuses on the second sentence in this statement, asserting that since there were only six DAD employees at the end of 1993, it is not surprising that Mr. Barr would be thought of as senior. Reply Br. at 17. The size of DAD, however, is not a determining factor regarding Mr. Barr's officer-equivalent status, and even if it were, respondents fail to note that Mr. Barr approved reimbursements as late as October 1994, by which time DAD had approximately 30 employees. The Reply Brief also attempts to downplay the significance of Mr. Barr's position and role in other ways, such as asserting that his "sign-off" on Mr. Millenson's expense reports was "essentially ministerial" since Mr. Millenson was Mr. Barr's supervisor. Reply Br. at 3. However, James Barr in his deposition never described his role as "essentially ministerial"; rather, he testified that he reviewed Mr. Millenson's expense reports as they were incurred and approved them if they were appropriate. More broadly, the Reply Brief asserts that Elliott Millenson and his wife, Dr. Wendy Strongin, determined "all the managerial, decision and policy-making decisions" at DAD. Reply Br. at 2. While this assertion may be overbroad, Mr. Millenson and Dr. Strongin were the core of DAD, and reimbursement of contributions was Mr. Millenson's idea.² The fact remains, however, that the approvals of Messrs. Barr and Parlin were necessary to effectuate the reimbursements.

The Reply Brief dismisses Commission and case law precedent as "non-binding authority and unrelated cases." Reply Br. at 19. Respondents take issue with the General Counsel's Brief's reliance on MUR 2575 on the grounds that it cites to Colby v. Klune,

² Hence, as stated above, this Office is recommending a probable cause to believe finding that Mr. Millenson violated 2 U.S.C. § 441b(a).

178 F.2d 872 (2d Cir. 1949), a case decided under the Securities Exchange Act in which the court held that an employee's duties are dispositive of whether he is a corporate officer, not his title. Reply Br. at 12. The Reply Brief argues that a 1991 Securities Exchange Commission change in the definition of "executive officer" limits officer status to specific categories of employees, and, taken together with Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Livingston, 566 F.2d 1119, 1122 (9th Cir. 1978), leads to the conclusion that Gary Parlin's position at Johnson & Johnson is not that of a corporate officer. Reply Br. at 12-13.

This Office does not see how an SEC definition or Livingston, taken together or individually, undermines the functional officer liability analysis under section 441b(a). Livingston, in fact, supports the analysis. In that case, the court held that an employee with the title of vice president was not liable under section 16(b) of the Securities Exchange Act because liability under that provision is not based simply upon a person's title, but rather upon the person's real duties. 566 F.2d at 1121, 1122. Thus, Livingston is consistent with Colby and MUR 2575.³

In sum, the section 441b(a) corporate officer liability of James Barr and Gary Parlin does not depend on their status as titled officers of Johnson & Johnson or Ortho, but rather on their job functions in connection with the corporate contributions. As set out above and in the General Counsel's Brief, there is a substantial argument in favor of

³ In support of its argument that the officer liability provision of section 441b(a) be read narrowly, the Reply Brief also contends that the Commission must look to corporate documents to determine who is a corporate officer. Reply Br. at 18-20. This simply runs counter to the case law and Commission precedent cited in the General Counsel's Brief. Colby, in fact, specifically states that it is immaterial how the employee's functions are defined in the corporation's by-laws. 178 F.2d at 873. See also Livingston, 566 F.2d at 1122.

such liability.⁴ However, as noted above, in light of the age of the activity, the modest amount involved in the violations, and that pursuing this issue would require further investigation, this Office concludes that the Commission's limited investigative resources would be more appropriately be applied to other matters.

2. Gary Parlin's Section 441f Liability Does Not Depend on His Officer Status

The Reply Brief begins its argument against section 441f liability by stating that no Johnson & Johnson funds were used to reimburse any employees' political contributions. The Reply Brief then asserts that because no Johnson & Johnson officers approved of or consented to the reimbursement of the contributions, Johnson & Johnson does not face section 441f liability. Similarly, the Reply Brief appears to argue that because Gary Parlin was not a Johnson & Johnson officer, he cannot face liability for assisting in the reimbursement of the contributions under section 441f. Finally, respondents argue that the \$1250 in contributions for which Mr. Parlin approved the reimbursements is de minimus. Reply Br. at 10-14.

The General Counsel's Brief clearly states that the reimbursement funds were provided by Ortho, not Johnson & Johnson, whose section 441f liability, like that of Gary Parlin, is based on assisting in the making of contributions in the name of another. See

⁴ Here, the very corporate structure and operation tend to support the functional officer status of Messrs. Barr and Parlin. DAD was a division of Ortho, a wholly-owned subsidiary of Johnson & Johnson. DAD used Ortho's infrastructure for processing expense reports. GC Br. at 4. Mr. Millenson did not report to anyone at Ortho; rather, as noted above, his supervisor was Gary Parlin, a Johnson & Johnson company group chairman. Messrs. Millenson, Barr, and Parlin are the corporate officials who made the reimbursements happen; the review of the expense reports at Ortho was a clerical processing. GC Br. at 4, 12. Thus, the quasi-independent operation of DAD lends itself to its top officials exercising duties consistent with those of corporate officers. In any event, officer liability should not depend on the particular corporate structure.

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11 C.F.R. § 110.4(b)(1)(iii). GC Br. at 6-11; 15-16. Further, respondents' reliance on an "officer" requirement for section 441f liability is misplaced: section 441f and the Commission's regulation at 11 C.F.R. § 110.4(b)(1)(iii) contain no such requirement. As stated in the General Counsel's Brief, Mr. Parlin's section 441f liability is based on his approval of at least three contribution reimbursements. GC Br. at 14. The basis of Johnson & Johnson's liability includes these actions by Mr. Parlin, his position as company group chairman and as Elliott Millenson's supervisor, as well as the company's approval of the reimbursements through its Government Affairs Office. GC Br. at 15-16.

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 The Reply Brief argues that such approval never took place, i.e., that the Government Affairs Office was not asked about the legality of reimbursements, and that the documentary references cited in the General Counsel's Brief flowed from James Barr's understanding that Elliott Millenson had made such an inquiry. Reply Br. at 13-14. In support of this assertion, respondents provide an affidavit from John P. Hall, Jr., Johnson & Johnson Vice President, Federal Relations, in the Government Affairs Office in Washington, D.C. at the relevant time. Attachment 2, page 28. Mr. Hall avers that he did not provide such information to Mr. Millenson, and that to his knowledge, neither did any other employee in the Government Affairs Office.⁵

The circumstances of Messrs. Millenson and Barr asking about the legality of reimbursing contributions, i.e., who asked the Government Affairs Office about the legality of the reimbursements, has been disputed throughout this case. See the GC Br. at

⁵ Respondents provide a similar affidavit from Shannon R. Salmon, a Government Affairs Office employee.

4-5. The Reply Brief presents the first suggestion that neither Mr. Millenson nor Mr. Barr contacted that office regarding the legality of reimbursements. Further, such suggestion cannot be fully supported by brief affidavits from two individuals from the Government Affairs Office. The affidavits give no explanation of the process by which inquiries are handled, whether records are maintained of inquiries, and so forth. Nevertheless, in light of the disputed nature of the inquiries, this Office does not recommend further pursuing Johnson & Johnson. Although this issue is not the sole basis for Johnson & Johnson's section 441f liability, further investigation would be required to flesh out the specific circumstances of the inquiry, with no guarantee of success.

By contrast, this Office does recommend pursuing Gary Parlin for his section 441f liability. Mr. Parlin was the Johnson & Johnson company group chairman with responsibility for DAD. As the highest corporate official with direct approval over the reimbursements, Mr. Parlin's activity in this matter is significant even though he apparently only approved some of the reimbursements. Thus, while the \$1250 figure is arguably de minimus, Mr. Parlin's approval of these reimbursements is not.

3. James Barr Violated Section 441f by Knowingly Permitting Ortho to Use His Name to Make a Contribution and by Knowingly Assisting in the Making of Corporate Contributions in the Names of Others

The Reply Brief asserts that James Barr did not know that reimbursements are illegal and thus did not knowingly permit his name to be used to make a contribution in violation of section 441f. Respondents appear to be applying a "knowing and willful" standard in a context where the Commission has not made knowing and willful findings.

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A violation of section 441f for knowingly permitting one's name to be used to effect a contribution in the name of another requires only that respondent have knowledge that such activity is taking place, not that the activity is illegal. Cf. FEC v. Dramesi for Congress, 640 F. Supp 985 (D.N.J. 1986) (court held that the committee knowingly accepted an excessive contribution where the treasurer acted intentionally in accepting the contribution and was fully aware of the facts rendering his conduct unlawful). The factual record in this matter clearly shows that Mr. Barr knew that he was permitting his name to be used to make such a contribution. See the GC Br. at 4-10. Therefore, this Office recommends that the Commission find probable cause to believe that James Barr violated 2 U.S.C. § 441f by knowingly permitting his name to be used to make a contribution.

Further, the Reply Brief does not address James Barr's section 441f assisting liability except perhaps implicitly by arguing that Mr. Barr was not acting as a corporate officer. In any event, as stated in the General Counsel's Brief, Mr. Barr approved the reimbursements of the contributions made by Elliott Millenson and the contribution made by Margaret Blosser. GC Br. at 11-12. Therefore, this Office recommends that the Commission find probable cause to believe that James Barr also violated 2 U.S.C. § 441f by knowingly assisting in the making of corporate contributions in the names of others. See 11 C.F.R. § 110.4(b)(1)(iii).

4. There is Evidence Against the Asserted Mitigating Circumstances

Finally, respondents make a number of arguments regarding their actions taken upon "discovering" the reimbursements at issue, such as obtaining refunds from

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reimbursed contributors and bringing this matter to the attention of the Commission. Reply Br. at 1-2; 7-10. These issues do not address respondents' liability but rather, where appropriate, may be considered as mitigating factors in conciliation.⁶ Moreover, some of respondents' assertions are seriously misleading. For example, the Reply Brief states that "[i]n the course of its investigation of this matter, the Office of the General Counsel has not found any evidence of corporate involvement that Ortho did not bring to the Commission's attention originally." Reply Br. at 9. While it is true that Ortho's sua sponte submission provided the basis for Ortho's liability, that submission omitted numerous documents that are critical to the liability of other respondents in this matter. As discussed in the General Counsel's Report dated May 15, 1996, Elliott Millenson's submission in response to the Commission's offer of preprobable cause conciliation included several critical documents omitted from Ortho's original submission. Largely on the basis of those documents, the Commission made reason to believe findings on June 11, 1996 regarding Gary Parlin and Johnson & Johnson, suspended preprobable cause conciliation, and approved subpoenas in order to investigate this matter. Only later, in response to the Commission's subpoena, did Ortho and Johnson & Johnson provide these documents and others.⁷ In sum, Ortho's original submission was not complete,

⁶ Even the two actions cited here need to be placed in context. The record shows that Elliott Millenson paid back his reimbursements to Ortho before the company obtained such repayments from the other reimbursed contributors. As for bringing this matter to the attention of the Commission, the record shows that Ortho and Elliott Millenson were negotiating over a joint submission to the Commission; due to an apparent disagreement over the recounting of the facts, Ortho provided its own submission. Mr. Millenson followed suit. In any event, more than two months passed between the Ortho's "discovery" of the reimbursements and its submission to the Commission.

⁷ See the General Counsel's Report dated February 4, 1997, Attachment 1, pages 40 and 51 (expense reports signed by Gary Parlin); page 44 (Bruce Decker facsimile to Elliott Millenson requesting four individual contributions to the Senator Kennedy Committee); page 66 (James Barr October 26, 1994

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thereby severely limiting its legitimate characterization as a mitigating factor in this matter.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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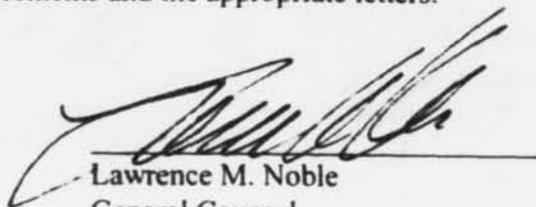
memorandum to Andrea Munley at Ortho authorizing reimbursements of Elliott Millenson's contributions); page 67 (Gary Parlin November 18, 1994 memorandum instructing Elliott Millenson to make no future political contributions without Mr. Parlin's express okay); and page 104 (James Barr February 2, 1995 voice mail message to Gary Parlin apologizing for approving the reimbursement of Elliott Millenson's October 1994 contributions without discussing them with Mr. Parlin). Further, as noted in the General Counsel's Brief, there is a question regarding possibly missing documents. GC Br. at 8, footnote 8.

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IV. RECOMMENDATIONS

1. Find probable cause to believe that Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f.
2. Find probable cause to believe that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f.
3. Find probable cause to believe that James Barr violated 2 U.S.C. § 441f.
4. Find probable cause to believe that Gary Parlin violated 2 U.S.C. § 441f.
5. Take no further action regarding James Barr and Gary Parlin with respect to 2 U.S.C. § 441b(a).
6. Take no further action and close the file regarding Johnson & Johnson, Inc.
7. Approve the attached conciliation agreements and the appropriate letters.

Date

7/21/97

Lawrence M. Noble
General Counsel

Attachments

- 1. Elliott Millenson Reply Brief**
- 2. Ortho Pharmaceutical Corporation, Johnson & Johnson, Inc., James Barr, and Gary Parlin Reply Brief**
- 3. Conciliation agreements**

Staff Assigned: Mark Allen

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*cc Bright-Coleman
Jackets*



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 22, 1997

MEMORANDUM

TO: Lawrence M. Noble
General Counsel and Designated
Agency Ethics Official

FROM: Scott E. Thomas *[Signature]*
Commissioner

SUBJECT: Recusal in MUR 4297

Due to recent financial circumstances presenting an apparent conflict of interests, I must now recuse in this matter.

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE ROSS 
COMMISSION SECRETARY

DATE: JULY 23, 1997

SUBJECT: MUR 4297 - GENERAL COUNSEL'S REPORT

The above-captioned document was circulated to the Commission
on Monday, July 21, 1997.

Objection(s) have been received from the Commissioner(s) as
indicated by the name(s) checked below:

- Commissioner Aikens —
- Commissioner Elliott **XXX**
- Commissioner McDonald —
- Commissioner McGarry —
- Commissioner Thomas —

This matter will be placed on the meeting agenda for
Tuesday, July 29, 1997.

Please notify us who will represent your Division before the Commission on this
matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4297
Elliott Millenson;)
Ortho Pharmaceutical Corporation;)
Johnson & Johnson, Inc.;)
James Barr;)
Gary Parlin)

CORRECTED CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 29, 1997, do hereby certify that the Commission took the following actions in MUR 4297:

1. Failed in a vote of 3-1 to pass a motion to -
- a) Find probable cause to believe that Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f.
 - b) Find probable cause to believe that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f.
 - c) Find probable cause to believe that James Barr violated 2 U.S.C. § 441f.
 - d) Find probable cause to believe that Gary Parlin violated 2 U.S.C. § 441f.

(continued)

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- e) Take no further action regarding James Barr and Gary Parlin with respect to 2 U.S.C. § 441b(a).
- f) Take no further action and close the file regarding Johnson & Johnson, Inc.
- g) Approve the conciliation agreements and the appropriate letters as recommended in the General Counsel's July 21, 1997 report

Commissioners Aikens, McDonald, and McGarry voted affirmatively for the motion. Commissioner Elliott dissented. Commissioner Thomas recused himself with respect to MUR 4297 and was not present during its consideration.

2. Decided by a vote of 4-0 to -

- a) Find probable cause to believe that Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f.
- b) Find probable cause to believe that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f.
- c) Find probable cause to believe that James Barr violated 2 U.S.C. § 441f.

(continued)

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- d) Find probable cause to believe that Gary Parlin violated 2 U.S.C. § 441f.
- e) Take no further action regarding James Barr and Gary Parlin with respect to 2 U.S.C. § 441b(a).
- f) Take no further action and close the file regarding Johnson & Johnson, Inc.
- g) Approve the conciliation agreements and the appropriate letters as recommended in the General Counsel's July 21, 1997 report

Commissioners Aikens, Elliott, McDonald, and McGarry voted affirmatively for the decision. Commissioner Thomas recused himself from this matter and was not present during its consideration.

Attest:

7-31-97
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

July 31, 1997

BY FACSIMILE AND FIRST CLASS MAIL

Mr. Elliott Millenson
15 Ashington Club Road
Far Hills, NJ 07931-2469

RE: MUR 4297

Dear Mr. Millenson:

On July 29, 1997, the Federal Election Commission found that there is probable cause to believe you violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended, in connection with the reimbursement of political contributions.

The Commission has a duty to attempt to correct such violations for a period of at least 30 days and no more than 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement after 30 days, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter.

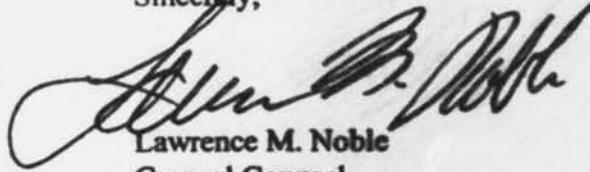
If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make the check for the civil penalty payable to the Federal Election Commission.

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Mr. Elliott Millenson
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

July 31, 1997

BY FACSIMILE AND FIRST CLASS MAIL

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
Ortho Pharmaceutical Corporation
Johnson & Johnson, Inc.
James Barr
Gary Parlin

Dear Ms. Utrecht:

On July 29, 1997, the Federal Election Commission found that there is probable cause to believe Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f and that James Barr and Gary Parlin each violated 2 U.S.C. § 441f, provisions of the Federal Election Campaign Act of 1971, as amended, in connection with the reimbursement of political contributions. Also on that date, the Commission determined to take no further action regarding James Barr and Gary Parlin with respect to 2 U.S.C. § 441b(a), and take no further action and close the file regarding Johnson & Johnson, Inc.

The Commission has a duty to attempt to correct such violations for a period of at least 30 days and no more than 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement after 30 days, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

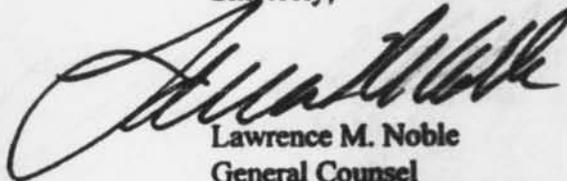
Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make the check for the civil penalty payable to the Federal Election Commission.

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Lyn Utrecht, Esq.
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION

In the Matter of
Elliott Millenson

)
)
)

MUR 4297

AUG 2 1997

GENERAL COUNSEL'S REPORT

SENSITIVE

I. BACKGROUND

On July 29, 1997, the Commission found probable cause to believe that Elliott Millenson violated 2 U.S.C. §§ 441b(a) and 441f, and entered into conciliation. After negotiation with Mr. Millenson, this Office now recommends that the Commission approve an amended conciliation agreement. Attachment.

II. ANALYSIS

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Therefore, this Office recommends that the Commission approve the attached conciliation agreement and close the file in this matter as to Elliott Millenson. A check for the amount of the civil penalty has been received.

III. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Elliott Millenson.
2. Close the file in this matter as to Elliott Millenson.
3. Approve the appropriate letter.

Lawrence M. Noble
General Counsel

August 26, 1997
Date

BY: Lois G. Lerner
Lois G. Lerner
Associate General Counsel

Attachment
Conciliation Agreement

Staff Assigned: Mark Allen

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Elliott Millenson.) MUR 4297

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 2, 1997, the Commission decided by a vote of 4-0 to take the following actions in MUR 4297:

1. Accept the conciliation agreement with Elliott Millenson, as recommended in the General Counsel's Report dated August 26, 1997.
2. Close the file in this matter as to Elliott Millenson.
3. Approve the appropriate letter, as recommended in the General Counsel's Report dated August 26, 1997.

Commissioners Aikens, Elliott, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas recused himself from this matter and did not cast a vote.

Attest:

9-3-97
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Tues., Aug. 26, 1997 4:25 p.m.
Circulated to the Commission: Wed., Aug. 27, 1997 11:00 a.m.
Deadline for vote: Tues., Sep. 02, 1997 4:00 p.m.

bjr

97043850603,



FEDERAL ELECTION COMMISSION
Washington, DC 20483

September 5, 1997

Mr. Elliott Millenson
15 Ashington Club Road
Far Hills, NJ 07931-2469

RE: MUR 4297

Dear Mr. Millenson:

On September 2, 1997, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your behalf in settlement of violations of 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to you.

This matter will become public within 30 days after it has been closed with respect to all other respondents involved. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Mark Allen
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4297
Elliott Millenson)

Aug 22 12 39 PM '97
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

CONCILIATION AGREEMENT

This matter was initiated by a sua sponte submission by Elliott Millenson and other information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Elliott Millenson ("Respondent") violated 2 U.S.C. §§ 441b(a) and 441f.

NOW, THEREFORE, the Commission and the Respondent, having duly entered into conciliation entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
 - 1. At the time of the events in this matter, Respondent was president and CEO of Direct Access Diagnostics ("DAD"), a division of Ortho Pharmaceutical Corporation ("Corporation" or "Ortho"), which is incorporated in the state of Delaware. The Corporation is in turn a wholly-owned subsidiary of Johnson & Johnson, Inc., which is incorporated in New Jersey.

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2. At the time of the events in this matter, Respondent reported directly to Gary Parlin, a company group chairman at Johnson & Johnson and chairman of DAD.

3. At the time of the events in this matter, James Barr was director, finance of DAD and reported to Respondent.

4. At the time of the events in this matter, Margaret Blosser and William Pagels were employees of DAD.

5. At the time of the events in this matter, Bruce Decker was president of Health Policy & Research Foundation and a consultant/adviser to DAD.

6. Under the Federal Election Campaign Act of 1971, as amended ("the Act"), it is unlawful for any corporation to make a contribution in connection with a federal election, and for any corporate officer to consent to any such contribution. 2 U.S.C. § 441b(a).

7. The Act also provides that no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. 2 U.S.C. § 441f. Further, the Commission's regulations provide that it is unlawful to knowingly assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

8. In November 1993, Bruce Decker asked Respondent to get four individuals to contribute \$500 each to the Committee to Re-elect Senator Kennedy.

9. Respondent has stated in a sworn affidavit that i) he was interested in seeking reimbursement from Ortho Pharmaceutical Corporation for political contributions, but was uncertain as to the legality of such action; ii) Respondent asked DAD director, finance James Barr to ascertain whether Johnson & Johnson had a policy regarding the reimbursement of political contributions and whether such reimbursement was legal; iii) Mr. Barr reported back to

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Respondent that he had checked with Ortho Pharmaceutical Corporation and was told that Ortho had a policy against such reimbursements but that such reimbursements were not illegal; iv) Respondent does not know who Mr. Barr spoke to at Ortho; v) Respondent was still concerned about the legality of reimbursements, and asked Mr. Barr to check with Johnson & Johnson's Government Relations Office; and vi) James Barr reported back to Respondent that he had so checked and that such reimbursements were not contrary to Johnson & Johnson policy and were legal. In addition, Respondent asserts that prior to February 1995, despite its obligation to do so, Johnson & Johnson had never provided Respondent with a copy of its Policy on Business Conduct, which in 1993 and 1994 stated that "no employee shall directly or indirectly use or contribute funds or assets of the Company for or to any political party, candidate or campaign, unless such a use or contribution is an accepted practice and lawful in the country involved and is approved by the appropriate Company Group Chairman."

10. Respondent subsequently asked James Barr, William Pagels, and Margaret Blosser to contribute \$500 each to the Committee to Re-elect Senator Kennedy with the understanding that they would be reimbursed. Each brought in \$500 checks shortly thereafter. Respondent also wrote a \$500 check to the Kennedy campaign, dated November 11, 1993.

11. Respondent, James Barr, William Pagels, and Margaret Blosser each filled out expense reports in order to be reimbursed for the contributions. Respondent's expense report went to DAD director, finance James Barr in the ordinary course. Mr. Barr approved the reimbursement. Messrs. Barr and Pagels and Ms. Blosser each submitted their expense reports to their superiors, who approved their reimbursements. Mr. Barr submitted his expense report to Respondent, who approved the reimbursement.

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12. Respondent's expense report along with those of James Barr, William Pagels, and Margaret Blosser then went to Ortho Pharmaceutical Corporation in the ordinary course.

13. Ortho personnel processed the expense reports, and Respondent was reimbursed for the \$500 contribution by Ortho by check dated December 8, 1993. Messrs. Barr and Pagels and Ms. Blosser were also reimbursed by Ortho around this time.

14. Respondent also submitted his expense report containing the Kennedy Committee contribution to his superior Gary Parlin, a Johnson & Johnson company group chairman who was chairman of DAD. The practice then in effect was that Mr. Parlin would review Respondent's expenses on a quarterly basis. Mr. Parlin approved the expense report itemizing Respondent's contribution to the Committee to Re-elect Senator Kennedy.

15. In February 1994 Respondent was solicited for a contribution to the New American Century Fund, a federal political committee. Respondent wrote a \$500 check to the New American Century Fund dated February 24, 1994 and filled out an expense report in order to be reimbursed for the contribution. Respondent's expense report went to DAD director, finance James Barr in the ordinary course. Mr. Barr approved the reimbursement. Then Ortho personnel processed the reimbursement. Respondent was reimbursed by Ortho for the \$500 contribution by check dated April 27, 1994. Respondent's expense report also went to his superior Gary Parlin, who approved it.

16. In April 1994 Respondent was solicited for a contribution to Friends of Tom Harkin. Respondent wrote a \$250 check to Friends of Tom Harkin dated April 27, 1994 and filled out an expense report in order to be reimbursed for the contribution. Respondent's expense report went to DAD director, finance James Barr in the ordinary course. Mr. Barr approved the

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reimbursement. Then Ortho personnel processed the reimbursement. Respondent was reimbursed by Ortho for the \$250 contribution by check dated June 9, 1994. Respondent's expense report also went to his superior Gary Parlin, who approved it.

17. Subsequently, Respondent was solicited for a contribution to Friends of Marjorie Margolies Mezvinsky. Respondent wrote a \$250 check to Friends of Marjorie Margolies Mezvinsky on October 3, 1994 and filled out an expense report in order to be reimbursed for the contribution. Respondent's expense report went to DAD director, finance James Barr in the ordinary course. Mr. Barr approved the reimbursement. Then Ortho personnel processed the reimbursement. Respondent was reimbursed by Ortho for the \$250 contribution by check dated October 10, 1994.

18. Later in October 1994, Respondent was solicited for several contributions. On October 25, 1994, Respondent wrote \$1,000 checks to the Chabot for Congress Committee, Matt Salmon for Congress Committee, Hastings for Congress, the Ehrlich for Congress Committee, and Bilbray for Congress, and filled out an expense report in order to be reimbursed for the five contributions. Respondent's expense report went to DAD director, finance James Barr in the ordinary course. Mr. Barr approved the reimbursement, which was then processed by Ortho personnel. Respondent was reimbursed by Ortho for the \$5,000 in contributions by check dated November 2, 1994.

19. Also in October 1994, Bruce Decker, a consultant/adviser to DAD, made a political contribution that was reimbursed. On October 13, 1994, Mr. Decker contributed \$2,000 to Cal Victory '94, a joint fundraising committee supporting Senate candidate Diane Feinstein and the Democratic Senatorial Campaign Committee. Mr. Decker submitted a request for

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expense reimbursement in order to be reimbursed for the contribution. His request came to Respondent in the ordinary course. Respondent approved the reimbursement. Bruce Decker was reimbursed by Ortho for the \$2,000 contribution on November 9, 1994.

20. Respondent consented to and knowingly assisted the Corporation's reimbursement as itemized business expenses the contributions to federal political committees detailed above, totaling \$10,000, during 1993 and 1994.

21. Respondent asserts that on January 19, 1995, he learned for the first time that the corporate reimbursement of political contributions was illegal. Respondent informed Gary Parlin by electronic mail on January 20, 1995 that "there may be a legal problem with corporate reimbursement of political contributions." Respondent sent a similar message to Johnson & Johnson in-house counsel Kathy Schroeder by electronic mail on January 23, 1995.

22. On February 2, 1995, Respondent was fired from his positions at DAD by Johnson & Johnson company group chairman Peter Tattle, the superior of Gary Parlin.

23. By check dated February 15, 1995 Respondent repaid the Corporation the \$6,500 he received in 1993 and 1994 as reimbursements for his contributions.

24. Although Respondent has stated in a sworn affidavit that he sought and received advice regarding the legality of reimbursing contributions, see Paragraph 9 above, incorrect advice does not vitiate violations. See Ayuda, Inc. v. Thornburgh, 948 F.2d 742, 756 (D.C. Cir. 1991).

V. 1. Elliott Millenson violated 2 U.S.C. § 441b(a) by consenting to Ortho Pharmaceutical Corporation making \$10,000 in corporate contributions to federal political committees.

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2. Elliott Millenson violated 2 U.S.C. § 441f by permitting Ortho Pharmaceutical Corporation to use his name to make \$6,500 in contributions to federal political committees.

3. Elliott Millenson violated 2 U.S.C. § 441f by knowingly assisting in the making of a total of \$10,000 in corporate contributions in the names of others.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Two Thousand dollars (\$2,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

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oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

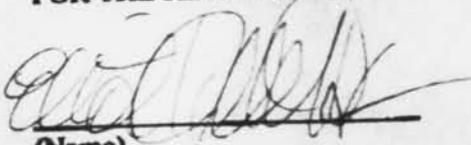
FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

9/5/97
Date

FOR THE RESPONDENT:


(Name)
(Position)

August 15, 1997
Date

2-7043850612

FEDERAL ELECTION COMMISSION

OCT 1 2 1997

In the Matter of)
) MUR 4297
Ortho Pharmaceutical Corporation)
James Barr)
Gary Parlin)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On July 29, 1997, the Commission found probable cause to believe that Ortho Pharmaceutical Corporation ("Ortho") violated 2 U.S.C. §§ 441b(a), 441c, and 441f and that James Barr and Gary Parlin each violated 2 U.S.C. § 441f. After negotiation with respondents, this Office now recommends that the Commission approve an amended conciliation agreement and close the file in this matter. Attachment.

II. ANALYSIS

Most significantly, respondent Gary Parlin has been removed from the agreement.

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Therefore, this Office recommends that the Commission approve the attached conciliation agreement and close the file in this matter.

III. RECOMMENDATIONS

- 1. Accept the attached conciliation agreement with Ortho Pharmaceutical Corporation and James Barr.
- 2. Take no further action regarding Gary Parlin.
- 3. Close the file.
- 4. Approve the appropriate letter.

Lawrence M. Noble
General Counsel

Date

BY: _____
Lois G. Lerner
Associate General Counsel

**Attachment
Conciliation Agreement**

Staff Assigned: Mark Allen

97043850616

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Ortho Pharmaceutical Corporation;) MUR 4297
James Barr;)
Gary Parlin.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 20, 1997, the Commission decided by a vote of 4-0 to take the following actions in MUR 4297:

1. Accept the conciliation agreement with Ortho Pharmaceutical Corporation and James Barr, as recommended in the General Counsel's Report dated October 14, 1997.
2. Take no further action regarding Gary Parlin.
3. Close the file.
4. Approve the appropriate letter, as recommended in the General Counsel's Report dated October 14, 1997.

Commissioners Aikens, Elliott, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas recused himself with respect to this matter and did not cast a vote.

Attest:

10-20-97
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:	Wed.,	Oct. 15, 1997	2:53 p.m.
Circulated to the Commission:	Wed.,	Oct. 15, 1997	4:00 p.m.
Deadline for vote:	Mon.,	Oct. 20, 1997	4:00 p.m.

lrd

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1997

Ms. Margaret Laura Gladstone
604 68th Avenue Drive, West
Bradenton, FL 34207

RE: MUR 4297

Dear Ms. Gladstone:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen
Attorney

97043850618



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 22, 1997

**Mr. William R. Pagels
161 Monmouth Boulevard
Oceanport, NJ 07757**

RE: MUR 4297

Dear Mr. Pagels:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

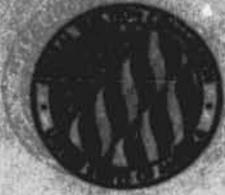
If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Mark Allen

**Mark Allen
Attorney**

97043850619



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 22, 1997

Mr. Elliott Millenson
15 Ashington Club Road
Far Hills, NJ 07931-2469

RE: MUR 4297

Dear Mr. Millenson:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Mark Allen
Attorney

97043850620



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 22, 1997

Lyn Utrecht, Esq.
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

RE: MUR 4297
Ortho Pharmaceutical Corporation
James Barr
Gary Parlin

Dear Ms. Utrecht:

On October 20, 1997, the Federal Election Commission accepted the signed conciliation agreement and civil penalty in settlement of Ortho Pharmaceutical Corporation's violations of 2 U.S.C. §§ 441b(a), 441c, and 441f, and James Barr's violations of 2 U.S.C. § 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Regarding Gary Parlin, after considering the circumstances of the matter, the Commission also determined on October 20, 1997, to take no further action against him. Accordingly, the file has been closed in this matter.

The Commission reminds Mr. Parlin that approval of contribution reimbursements is a violation of 2 U.S.C. § 441f. Your client should take steps to ensure that this activity does not occur in the future.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

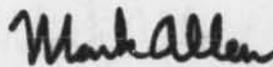
Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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Lyn Utrecht, Esq.
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files.
If you have any questions, please contact me at (202) 219-3400.

Sincerely,



Mark Allen
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Ortho Pharmaceutical Corporation) MUR 4297
James Barr)

Oct 8 1997

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Oct 8 2 39 PM '97

CONCILIATION AGREEMENT

This matter was initiated by a sua sponte submission by Ortho Pharmaceutical Corporation and other information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Ortho Pharmaceutical Corporation violated 2 U.S.C. §§ 441b(a), 441c, and 441f; and James Barr violated 2 U.S.C. § 441f (together, "Respondents").

NOW, THEREFORE, the Commission and the Respondents, having duly entered into conciliation entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.
- II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondents enter voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
 - 1. Ortho Pharmaceutical Corporation ("Ortho") is incorporated in the state of Delaware, and is a wholly-owned subsidiary of Johnson & Johnson, Inc., which is incorporated in the state of New Jersey.

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2. At the time of the events in this matter, Ortho was a U.S. government contractor.

3. At the time of the events in this matter, James Barr was director, finance of Direct Access Diagnostics ("DAD"), a division of Ortho.

4. At the time of the events in this matter, Elliott Millenson was president and CEO of DAD.

5. At the time of the events in this matter, James Barr reported to Elliott Millenson. Mr. Millenson reported directly to a company group chairman at Johnson & Johnson.

6. At the time of the events in this matter, Margaret Blosser and William Pagels were employees of DAD.

7. At the time of the events in this matter, Bruce Decker was president of Health Policy & Research Foundation and a consultant/adviser to DAD.

8. At the time of the events in this matter, Dr. Wendy Strongin was vice president of research and development of DAD.

9. At the time of the events in this matter, Andrea Munley was supervisor of the clerical department at Ortho.

10. At the time of the events in this matter, Frank Campbell was manager of the Ortho clerical department and Andrea Munley's supervisor.

11. Under the Federal Election Campaign Act of 1971, as amended ("the Act"), it is unlawful for any corporation to make a contribution in connection with a federal election.

2 U.S.C. § 441b(a).

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12. The Act prohibits any person who enters into a U.S. government contract from directly or indirectly making any contribution to any federal candidate. 2 U.S.C. § 441c.

13. The Act also provides that no person shall make a contribution in the name of another or knowingly permit his or her name to be used to effect such a contribution. 2 U.S.C. § 441f. Further, the Commission's regulations provide that it is unlawful to knowingly assist in the making of contributions in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

14. In November 1993, Bruce Decker asked Elliott Millenson to get four individuals to contribute \$500 each to the Committee to Re-elect Senator Kennedy.

15. Elliott Millenson and James Barr discussed whether reimbursements could be made and agreed to make inquiries regarding the legality of the reimbursements.

16. James Barr has testified that i) he spoke with a Vice President of State Government Affairs at Ortho, who told Mr. Barr that reimbursing political contributions was not illegal, although it was not company practice; ii) that Mr. Barr reported this information back to Elliott Millenson; iii) that Mr. Millenson told Mr. Barr that he would contact the Johnson & Johnson Government Affairs Office in Washington, D.C.; and iv) that Mr. Millenson stated that he had received a similar response.

17. Elliott Millenson subsequently asked James Barr, William Pagels, and Margaret Blosser to contribute \$500 each to the Committee to Re-elect Senator Kennedy with the understanding that they would be reimbursed. Messrs. Barr and Pagels and Ms. Blosser, as well as Mr. Millenson, each wrote \$500 checks shortly thereafter. Mr. Barr's check was dated November 12, 1993.

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13. James Barr, Elliott Millenson, William Pagels, and Margaret Blosser each filled out expense reports in order to be reimbursed for the contributions. Messrs. Barr and Pagels and Ms. Blosser each submitted their expense reports to their supervisors: Mr. Barr submitted his expense report to Elliott Millenson; Ms. Blosser submitted her expense report to Mr. Barr; and Mr. Pagels submitted his expense report to Dr. Wendy Strongin. Mr. Barr, Dr. Strongin, and Mr. Millenson each approved the expense report submitted to them. Elliott Millenson's expense report went to James Barr in the ordinary course. Mr. Barr signed the expense report on November 23, 1993.

19. All four expense reports then went to Andrea Munley, supervisor of the clerical department at Ortho, in the ordinary course. In a November 22, 1993 memorandum to Frank Campbell, manager of the Ortho clerical department and Andrea Munley's supervisor, Mr. Barr addressed the reimbursement through expense reports of the four \$500 contributions to Senator Kennedy's 1994 re-election campaign. In the memorandum, titled "Contributions made by Direct Access Diagnostics," Mr. Barr stated that "[w]e realize that this is not normal J&J procedure and have contacted Corporate's Government Affairs office to inform them of this contribution. I will insure the \$2,000 appears appropriately on the contributions report. Please process these as soon as possible . . ." Mr. Barr has testified that the contact with the Government Affairs Office referred to Elliott Millenson's apparent inquiry to that office regarding the legality of reimbursements. The "contributions report" refers to a list of all DAD contributions, political and otherwise, that went to Johnson & Johnson on an annual basis. Frank Campbell telephoned James Barr in response to the latter's November 22, 1993 memorandum,

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stating that the reimbursements of the contributions was out of the ordinary. Mr. Barr acknowledged that it was out of the ordinary.

20. Ortho personnel processed the expense reports, and James Barr and the other three DAD employee contributors were reimbursed for their contributions by Ortho by check in early December 1993. The \$500 reimbursement check to James Barr was dated December 1, 1993.

21. In the ordinary course, at the end of the quarter ending December 31, 1993, James Barr forwarded Elliott Millenson's expense report containing the Kennedy Committee contribution to Mr. Millenson's superior Gary Parlin, a Johnson & Johnson company group chairman and chairman of DAD. Mr. Parlin approved the expense report.

22. Mr. Millenson wrote a \$500 check dated February 24, 1994 to the New American Century Fund, a federal political committee. Mr. Millenson filled out an expense report in order to be reimbursed for the contribution. The expense report went to James Barr in the ordinary course, and Mr. Barr approved the expense report. Then Ortho personnel processed the reimbursement. Mr. Millenson was reimbursed by Ortho for the \$500 contribution on April 27, 1994. His expense report subsequently went to Gary Parlin, who approved it several months later.

23. Elliott Millenson wrote a \$250 check dated April 27, 1994 to Friends of Tom Harkin. Mr. Millenson filled out an expense report in order to be reimbursed for the contribution. The expense report went to James Barr in the ordinary course, and Mr. Barr approved the expense report. Then Ortho personnel processed the reimbursement. Mr.

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Millenson was reimbursed by Ortho for the \$250 contribution by check dated June 9, 1994. His expense report subsequently went to Gary Parlin, who approved it several months later.

24. Elliott Millenson wrote a \$250 check dated October 3, 1994 to Friends of Marjorie Margolies Mezvinsky. Mr. Millenson filled out an expense report in order to be reimbursed for the contribution. The expense report went to James Barr in the ordinary course, and Mr. Barr approved the expense report. Then Ortho personnel processed the reimbursement. Mr. Millenson was reimbursed by Ortho for the \$250 contribution by check dated October 10, 1994.

25. Elliott Millenson wrote \$1,000 checks on October 25, 1994 to the Chabot for Congress Committee, Matt Salmon for Congress Committee, Hastings for Congress, the Ehrlich for Congress Committee, and Bilbray for Congress. Mr. Millenson filled out an expense report in order to be reimbursed for the five contributions. The expense report went to James Barr in the ordinary course, and Mr. Barr approved the expense report. On October 26, 1994, James Barr forwarded the expense report to Ortho with a cover memorandum to Andrea Munley stating that Elliott Millenson made the contributions on behalf of Direct Access Diagnostics. The cover memorandum further stated that Mr. Barr was "aware that this is an exception to normal processing but [was] authorizing payment as has occurred previously." Then Ortho personnel processed the reimbursement. Mr. Millenson was reimbursed by Ortho for the \$5,000 in contributions by check dated November 2, 1994.

26. Finally, Bruce Decker, a consultant/adviser to DAD, made a political contribution that was reimbursed. On October 13, 1994, Mr. Decker contributed \$2,000 to Cal Victory '94, a joint fundraising committee supporting Senate candidate Diane Feinstein and the

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Democratic Senatorial Campaign Committee. Mr. Decker submitted a request for expense reimbursement in order to be reimbursed for the contribution. His expense request came to Elliott Millenson in the ordinary course, and Mr. Millenson approved the expense request. Bruce Decker was reimbursed by Ortho for the \$2,000 contribution on November 9, 1994.

27. In sum, Ortho reimbursed James Barr, Elliott Millenson, Margaret Blosser, William Pagels, and Bruce Decker for a total of \$10,000 in contributions over the period November 1993 to November 1994.

28. When it came to the attention of Ortho management that these reimbursements had been made and that they were impermissible, the following steps were taken:

a. The employees and consultant in question were contacted to determine the extent of any such reimbursements.

b. The Chief Financial Officer ("CFO") of DAD conducted an internal review to determine all political contributions that may have been submitted for reimbursement or otherwise made directly by the company.

c. The Johnson & Johnson Internal Audit Group conducted an independent investigation at the direction of the Johnson & Johnson Office of General Counsel.

d. The firm of Oldaker, Ryan & Leonard was retained to provide outside counsel and advice on necessary remedial action.

e. The company obtained refunds of \$9,500 for federal contributions that had been submitted for reimbursement; and

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f. The company arranged for additional training to clarify and underscore the company's policy that no federal political contributions can be reimbursed under any circumstances.

29. James Barr, Elliott Millenson, William Pagels, and Bruce Decker repaid Ortho \$9,500 of the reimbursements in February and March 1995.

30. By letter of March 27, 1995, submitted on behalf of DAD, this matter was brought to the attention of the Commission.

V. 1. Ortho Pharmaceutical Corporation made contributions of \$10,000 to federal political committees in violation of 2 U.S.C. §§ 441b(a) and 441c.

2. Ortho Pharmaceutical Corporation made contributions to federal political committees in the names of James Barr, Margaret Blosser, Bruce Decker, Elliott Millenson, and William Pagels in violation of 2 U.S.C. § 441f.

3. James Barr violated 2 U.S.C. § 441f by knowingly permitting Ortho Pharmaceutical Corporation to use his name to make a \$500 contribution to a federal political committee.

4. James Barr violated 2 U.S.C. § 441f by knowingly assisting in the making of corporate contributions in the names of others.

VI. James Barr contends that he believed the contribution reimbursements to be permissible and that he took what he believed were reasonable steps to ascertain the legality thereof.

VII. Ortho contends that it took all appropriate steps to correct the violations, including bringing this matter to the attention of the Commission.

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VIII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Twenty-Five Thousand dollars (\$25,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

IX. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

XI. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

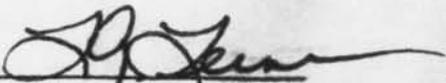
XII. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

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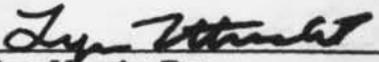
oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY:  10/21/97
Lois G. Lerner Date
Associate General Counsel

FOR THE RESPONDENTS:

 10/8/97
Lyn Utrecht, Esq. Date
Counsel for Ortho Pharmaceutical
Corporation and James Barr

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ORIGINAL

TRANSCRIPT OF PROCEEDINGS

C O N F I D E N T I A L

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ELECTION COMMISSION

----- X
 :
 In the Matter of: :
 : MUR 4297
 JAMES BARR :
 :
 :
 ----- X

97043850633

CONFIDENTIAL

Deposition of JAMES J. BARR

Pages 1 thru 119

Washington, D.C.
December 5, 1996

MILLER REPORTING COMPANY, INC.

507 C Street, N.E.
Washington, D.C. 20002
(202) 546-6666

pje

PJE

C O N F I D E N T I A L

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ELECTION COMMISSION

----- -X

In the Matter of:	:	
	:	
JAMES BARR	:	MUR 4297
	:	
	:	
	-	-X

Washington, D.C.
Thursday, December 5, 1996

The deposition of JAMES J. BARR, called for examination by counsel for the Federal Election Commission in the above-entitled matter, pursuant to Notice, in the offices of the Federal Election Commission, 999 E Street, N.W., Washington, D.C., convened at 9:05 a.m., before Paula J. Eastes, a notary public in and for the District of Columbia, when were present on behalf of the parties:

9704380634

APPEARANCES:

On behalf of the Federal Election Commission:

MARK ALLEN, ESQ.
THOMAS J. ANDERSEN, ESQ.
Federal Election Commission
Office of the General Counsel
Enforcement Division
999 E Street, N.W.
Washington, D.C. 20463
(202) 219-3400

On behalf of James J. Barr:

LYN UTRECHT, ESQ.
HILLARY JASSEY, LAW CLERK
Oldaker, Ryan, Phillips & Utrecht
818 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006
(202) 728-1010

On Behalf of Johnson & Johnson, Ortho and
James J. Barr:

DONNA M. MALIN, ESQ.
Johnson & Johnson
Office of General Counsel
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933-7002
(908) 524-2465

9704380635

C O N T E N T S

WITNESS EXAMINATION BY COUNSEL FOR
FEDERAL ELECTION COMMISSION

JAMES J. BARR

By Mr. Allen

Page 4

E X H I B I T S

BARR EXHIBITS FOR IDENTIFICATION

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Exhibit No. 2.....	55
Exhibit No. 3.....	60
Exhibit No. 4.....	64
Exhibit No. 5.....	65
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Exhibit Nos. 7 & 8.....	74
Exhibit No. 9.....	78
Exhibit Nos. 10 & 11.....	85
Exhibit No. 12.....	91
Exhibit No. 13.....	96
Exhibit No. 14.....	99
Exhibit No. 15.....	103
Exhibit No. 16.....	109

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P R O C E E D I N G S

Whereupon,

JAMES J. BARR

was called for examination by counsel for the Federal Election Commission and, having been first duly sworn by the notary public, was examined and testified as follows:

MR. ALLEN: Good morning.

My name is Mark Allen. I am a staff attorney at the Federal Election Commission. With me is Tom Andersen, also an attorney here.

This is an investigative deposition being conducted pursuant to an FEC subpoena under 2 USC Section 437(g) and is not under the Federal Rules of Evidence. This investigation has been called Matter Under Review 4297.

Pursuant to Section 437(g) all investigations here are confidential, so no third party should be informed of what transpires here today.

EXAMINATION BY COUNSEL FOR THE
FEDERAL ELECTION COMMISSION

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1 BY MR. ALLEN:

2 Q. Can you please state and spell your name
3 for the record?

4 A. My name is James J. Barr. My last name
5 is B-A-R-R.

6 Q. Mr. Barr, have you had your deposition
7 taken previously?

8 A. For this? No.

9 Q. No. In general.

10 A. I have had one deposition taken
11 previously.

12 Q. In very general terms, can you tell me
13 what that was in connection with?

14 A. It was a commercial matter between Ortho
15 BioTech and Amjen.

16 Q. I want to go over the ground rules here
17 first.

18 The court reporter is going to be taking
19 down everything that we say. So, please be sure to
20 respond verbally.

21 A. (Nodding.) Okay.

22 Q. Not with nods. Sort of like that.

9
7
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1 A. Yes.

2 Q. If you don't hear or understand a
3 question, let me know and I will restate it or
4 rephrase it.

5 If during the course of the deposition
6 you want to add to or modify one of your answers,
7 let me know and you will have the opportunity to do
8 so.

9 If you need to take a break or to speak
10 with counsel, let me know and, with the exception
11 of it being between a question and an answer, you
12 can do so.

13 Finally, please remember that you are
14 under oath here today.

15 Do you have any questions about these?

16 A. No. I understand what you are saying.

17 Q. Mr. Barr, are you represented by counsel
18 here today?

19 A. Yes. I am.

20 Q. Could you identify that counsel, please?

21 A. Lyn Utrecht and Donna Malin.

22 MR. ALLEN: For the record, Donna Malin,

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1 you are counsel for?

2 MS. MALIN: Johnson & Johnson, Ortho and
3 Mr. Barr.

4 MR. ALLEN: Also present here today is?
5 Can you please identify yourself?

6 MS. UTRECHT: Hillary Jassey, who is from
7 my law firm.

8 MR. ALLEN: Okay. Thank you.

9 BY MR. ALLEN:

10 Q. Other than counsel, have you discussed
11 this deposition with anyone?

12 A. No. I have not.

13 Q. Have you reviewed any documents in
14 preparation for this?

15 A. Yes. I have.

16 Q. Which documents?

17 A. My affidavit that was submitted
18 previously, Mr. Parlin's affidavit, the first
19 document from Mr. Millenson, which is March of
20 '90 -- I am not sure.

21 Q. 6?

22 A. '96.

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1 Some of the documents related to a
2 separate Arbitration between Mr. Millenson and
3 Ortho.

4 Q. Did you bring any documents with you
5 today?

6 A. No. I did not.

7 Q. I am going to start with a list of
8 background questions.

9 Home address?

10 A. This is a little strange because we are
11 building a new home. So, I am in temporary living.

12 Q. Okay.

13 These are all questions, which you know,
14 we ask everyone.

15 A. I am only here for three months where I
16 am at sitting here today.

17 [REDACTED]
18 [REDACTED]

19 Q. Phone number, home?

20 A. [REDACTED]

21 Q. And your business address?

22 A. One Johnson & Johnson Plaza, New

9704380641

1 Brunswick, New Jersey.

2 Q. Business phone?

3 A. (908) 524-3652.

4 Q. Date of birth?

5 A. November 1st, 1959.

6 Q. Social Security number?

7 A. [REDACTED]

8 Q. Have you ever served in the military?

9 A. No. I have not.

10 Q. Are you married?

11 A. Yes. I am.

12 Q. Wife's name?

13 A. Debra.

14 Q. Any children?

15 A. No.

16 Q. I will turn to education then and

17 occupation.

18 What is your educational background?

19 A. I graduated from Drexel University in
20 1982 with a BS in business administration, majoring
21 in accounting, and I received my MBA in 1988 from
22 Ryder University.

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1 Q. What is your current occupation?

2 A. I am a comptroller for Johnson & Johnson
3 corporate.

4 Q. Can you tell me what being a comptroller
5 involves?

6 A. My particular function is focused on new
7 business processes in the accounting area. I am
8 responsible for a number of special projects that
9 are either related to North America or to worldwide
10 efforts, primarily around financial information.

11 Q. How long have you been in that position?

12 A. I went to that position in January 1995.

13 Q. Briefly take me through the positions you
14 had prior to the comptroller position.

15 A. From the time I started at Johnson &
16 Johnson?

17 Q. When did you start at Johnson & Johnson?

18 A. I began my career at Ortho
19 Pharmaceutical, which is a division of Johnson &
20 Johnson, in 1980 as a college intern. I did two
21 internships, one in 1980, one in 1981, and began my
22 full-time employment upon my graduation in '82 from

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1 Drexel at Ortho Pharmaceutical.

2 I was at Ortho Pharmaceutical until 1988
3 in a variety of accounting positions throughout the
4 company and moved to Johnson & Johnson
5 International supporting pharmaceutical business
6 worldwide and worked at International for
7 approximately two years.

8 I moved to Ortho BioTech, a division of
9 Ortho Pharmaceutical, the end of 1989. I was at
10 Ortho BioTech until August of 1993 when I went to
11 Direct Access Diagnostics as Director of Finance.
12 I was at Direct Access until October of '94.

13 November and December of '94 I went to
14 Ortho BioTech on a special project and then I went
15 to the position I currently hold.

16 Q. Can you tell me what that special project
17 was?

18 A. The special project at Ortho BioTech was
19 looking at the Ortho BioTech business long term
20 strategically.

21 Ortho BioTech had engaged McKinsky &
22 Associates and had put full-time people on the

1 effort to look at the business for the future. I
2 was the financial rep for that project.

3 Q. Regarding Direct Access Diagnostic, can
4 you tell me the background of that company?

5 How did it originate?

6 A. It's not a company. It's a division of
7 Ortho Pharmaceutical, in terms of clarity. It was
8 acquired via a purchase. I don't know the details
9 of the purchase exactly. It was acquired from
10 Elliott Millenson and his wife Wendy Strongin. I
11 believe that occurred somewhere the end of 1992,
12 early 1993. And as part of the purchase
13 Mr. Millenson and Ms. Strongin joined the company.

14 Q. How many employees did DAD have
15 approximately?

16 A. For clarity, at what point in time?

17 Q. Okay. When you started there.

18 A. When I started there I think I was
19 employee number six or seven.

20 Q. And when you left?

21 A. We had approximately 30 people.

22 Q. How did you end up at DAD?

1 A. DAD, when it was acquired, had to put
2 together a budget process, et cetera, and
3 identified positions they needed to start up the
4 business. One position specifically was a finance
5 support person. As part of an interview process, a
6 number of names came forward, my name being one of
7 them. How that process occurs, I'm not quite
8 sure.

9 I was interviewed for the job in August
10 of '93 and the job was offered to me. I accepted
11 it.

12 Q. Who interviewed you for that job?

13 A. Elliott Millenson, Wendy Strongin, Joe
14 Egan and the Human Resource person at Advanced Care
15 Products, whose name I can't remember.

16 Q. Can you tell me who Joe Egan is?

17 A. Joe Egan is the financial support person
18 for Johnson & Johnson's diagnostic businesses
19 worldwide.

20 Q. So, who specifically hired you into DAD?

21 A. The offer was extended from the Human
22 Resource person.

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1 In terms of the offer letter, it came
2 from the Human Resource person at Advanced Care
3 Products referencing the interview process.

4 Q. At your time at DAD who did you report
5 to?

6 A. I reported to Mr. Millenson.

7 Q. And his position was?

8 A. I believe his title was President.

9 Q. And who did he, in turn, report to?

10 A. At what point in time?

11 Q. Okay.

12 When you started, for example. August of
13 '93.

14 A. When I started he was reporting to
15 Mr. Gary Parlin.

16 Q. Did that change during the course of the
17 time that you were at DAD?

18 A. No. That did not change.

19 Q. Mr. Parlin's position, what was that?

20 A. Mr. Parlin's title is Company Group
21 Chairman.

22 Q. That is Company Group Chairman of Johnson

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1 & Johnson?

2 A. I'm not sure in terms of how the title
3 works itself out.

4 Q. Was Mr. Parlin an employee of DAD?

5 A. No. He was not.

6 Q. Did Mr. Parlin have any title at DAD?

7 A. Chairman of DAD.

8 Q. Chairman of DAD. Okay.

9 A. Company Group Chairman of DAD.

10 Q. Mr. Millenson was President of DAD. Mr.
11 Parlin was Chairman.

12 Besides those two, what other officials
13 were there at DAD?

14 A. I don't understand what you mean by
15 officials.

16 Q. Elliott Millenson's wife, Wendy Strongin,
17 what was her position at DAD?

18 A. She was Vice President of Research and
19 Development.

20 Q. Were there other officers at DAD?

21 MS. UTRECHT: I don't believe that
22 Mr. Barr has actually testified that they were

1 officers. I'm not certain that he is the best
2 person to be asking questions about the structure
3 of the companies.

4 I mean, you are welcome to pursue this,
5 but he may not have the most knowledge.

6 BY MR. ALLEN:

7 Q. Mr. Millenson was President of DAD?

8 A. Yes.

9 Q. Wendy Strongin was Vice President of DAD?

10 A. Correct.

11 Q. Were there other individuals at DAD who
12 had a title of Vice President?

13 A. No.

14 Q. What were your duties as Director of
15 Finance at DAD?

16 A. My duties as Director of Finance at DAD
17 were preparing budgets for the company and forecast
18 for the future business, going through on a monthly
19 basis the payments that had occurred to insure that
20 they were indeed budgeted for and compare how we
21 were doing against the budget in terms of over and
22 under budget.

1 I coordinated activities with Ortho
2 Pharmaceutical related to the start up of the
3 manufacturing of the actual product that DAD was
4 going to be marketing in the future.

5 That was generally my job.

6 Q. And that product?

7 A. It's an HIV home access test kit.

8 Q. You mentioned preparing budgets,
9 forecasts, other budget work coordination with
10 Ortho.

11 Were there other things that you did in
12 that job?

13 A. I approved expense reports for
14 Mr. Millenson, Ms. Strongin.

15 That was generally it.

16 Q. What kind of approval authority did you
17 have?

18 A. There were dollar limit approval
19 authorities created which were based on who
20 reported to whom in the organization.

21 The normal approval limits for me, I
22 don't remember the dollar limits explicitly. I

1 just don't remember what the dollar limits are.
2 Some documents needed both Elliott's signature and
3 my signature, depending upon the limit that they
4 were at, and some needed only my signature. Some
5 only needed Elliott's signature. Things of that
6 nature. But I can't remember the exact dollar
7 amounts.

8 Q. So, if there was say a million dollar
9 expense --

10 A. A million dollar expense --

11 Q. That is not something that you yourself
12 would have had authority for?

13 A. Correct.

14 Q. Is that something that Mr. Millenson and
15 you both would have had to sign off on?

16 A. We definitely would have had to both sign
17 off on, but we would not have been able to have it
18 paid.

19 Q. Okay.

20 A. I don't know if I said that correctly.

21 Q. No. No. That is fine.

22 Just to follow on this example, what else

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1 would have had to happen in addition to your
2 signature and Mr. Millenson's signature on say a
3 very large expenditure?

4 A. Depending upon the magnitude of the
5 expenditure, first off it would have to be approved
6 by Mr. Parlin and if it was very large, it would
7 have to go to even higher than Mr. Parlin.

8 Q. Who was above Mr. Parlin in the
9 organization?

10 A. There is a number of people above
11 Mr. Parlin in the organization.

12 Q. Who was his superior?

13 A. At the time I believe it was Mr. Tattle.

14 Q. And Mr. Tattle's position was?

15 A. Also Company Group Chairman.

16 Q. So --

17 A. If I can add something. Excuse me.

18 It could have gone further than

19 Mr. Tattle, depending upon magnitude.

20 Q. Let me turn to a more modest sized
21 expenditure.

22 If it was a few hundred dollars, for

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1 example, is that around the size of an expenditure
2 you could sign off on and Mr. Millenson would not
3 have to sign off on?

4 A. Correct.

5 Q. Let me back up for just a second.

6 A proposed expenditure comes to you and
7 you decide whether or not to sign off on it? Was
8 that your role?

9 A. The expenditures that would have come to
10 me, yes.

11 For clarity, I did not sign off on all
12 expenditures.

13 Q. Okay.

14 What criteria would you use? If an
15 expense comes to you as the Director of Finance,
16 how do you decide whether to sign off on it?

17 A. What type of expense?

18 Q. Okay. Let me back up a bit.

19 A. Sure.

20 Q. What kinds of expenses were coming to
21 you?

22 A. We had expense reports which were travel

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1 related expenses primarily and expenses incurred by
2 an individual that the company would reimburse
3 for. We had purchase of office supplies, things of
4 that nature. They are just general office things
5 that if someone working with me would need those, I
6 would approve those. Office equipment, personal
7 computers, things of that nature would be things
8 that I would review for myself and sign off on.

9 So, that was the general types of things
10 that we were signing off on.

11 Q. So, in the category of travel expenses,
12 for example, what criteria would you use in terms
13 of deciding whether to sign off on it?

14 A. First we have a criteria for expense
15 reports. For travel you can only fly first class
16 for trips going overseas or if you have a
17 preexisting condition that you physically need to
18 be in a more comfortable seat. Otherwise, things
19 are coach.

20 You get reimbursed at certain cents per
21 mile if you use your own personal vehicle to travel
22 for business.

1 You have to have receipts for anything
2 over \$25 incurred on a trip that is documented
3 properly. We try to use as much as possible the
4 American Express card.

5 Generally, that was the types of things
6 that occur in a travel expense.

7 Q. So, on the office supply, equipment side,
8 what would be the criteria there?

9 A. You would generate a purchase order that
10 says what you need in a purchase order and the
11 purchase order would come to me, depending upon if
12 it was supposed to come to me. Then I would review
13 it, ask questions, and if it was appropriate, sign
14 it and forward it along to Ortho Pharmaceutical,
15 whose purchasing department we leaned on for
16 purchasing things, and it would get purchased and
17 paid.

18 Q. You mention the expense going over to
19 Ortho Pharmaceutical. How did that work?

20 A. DAD was a division of Ortho
21 Pharmaceutical. Ortho Pharmaceutical has an
22 infrastructure for processing purchase orders,

1 processing expense reports, paying bills in terms
2 of accounts payable, things of that sort. That is
3 who we leaned on to do those functions.

4 Q. Can you take me through the process from
5 the time that you approve something and then at
6 some point later on if there is a check cut?

7 How did things move from you signing
8 something to the point that a check was actually
9 signed?

10 A. For an expense report or for a purchase
11 order?

12 Q. We can focus on expense reports.

13 A. Okay.

14 For expense reports the process would be
15 depending upon who it was for. If it was for
16 someone working for me, I would approve the expense
17 report, forward it to Ortho Pharmaceutical for
18 processing and it would be processed. A check
19 would be cut, sent to the employee and the expense
20 would show up into the general ledger code of
21 travel or whatever it was related to for DAD, which
22 is Direct Access Diagnostics.

1 Is it okay to say DAD?

2 Q. Yes.

3 So, that was the category of expenses?

4 A. That was for someone reporting directly
5 to me.

6 Now, for Mr. Millenson we had a review
7 process that, again, I would review the expense
8 reports as they were incurred, approve them if they
9 were appropriate, give the expense report back to
10 his administrative assistant. She would send the
11 original to Ortho Pharmaceutical and make a copy
12 for her file.

13 On a quarterly basis I would go to the
14 administrative assistant, aggregate all of the
15 copies for them to Mr. Parlin, who had final
16 approval on the expenses.

17 Q. Mr. Parlin had final approval authority
18 on Millenson's expenses?

19 A. Correct.

20 Q. When the expense report reached Ortho,
21 who at Ortho handled it at that point?

22 A. There is a clerical department that

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1 processes expense reports.

2 Q. Did you have interactions with any
3 specific individuals in that clerical department?

4 This is in connection with expense
5 reports.

6 A. The supervisor of the department at the
7 time when I was at DAD was a woman named Andrea
8 Munley and on occasion we would talk on different
9 things, nothing specific.

10 Q. So, when an expense report went through
11 you and reached the clerical department at Ortho,
12 was there somebody there in the clerical department
13 who was reviewing the expenses for appropriateness?

14 A. For appropriateness you would really have
15 to talk with them. I'm not sure. But generally
16 they are reviewing to make sure that the
17 appropriate documents were attached, whether it's
18 receipts or whatever. They are dealing with large
19 volumes.

20 From an integrity perspective, it's the
21 responsibility of the person approving that has to
22 have the integrity and they are just doing a double

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1 check to make sure all the appropriate paperwork is
2 there.

3 Q. Your title at DAD was Director of
4 Finance.

5 A. For clarity, it's Director, comma,
6 Finance. I use the word "of" for the sake of
7 saying it. It's easier.

8 Q. Where did that title come from?

9 A. Can you clarify your question in terms of
10 where it came from?

11 Q. When you were being interviewed for that
12 position, was the position already titled at that
13 point Director, Finance?

14 A. I'm not sure. When I interviewed for the
15 position it was to be the finance support person
16 for Mr. Millenson.

17 Q. Were you involved in any negotiation over
18 what that title would be?

19 A. No.

20 Q. Do you know whether any other individuals
21 discussed what your title would be?

22 A. No.

1 Q. Does every division of Ortho have a
2 Director, Finance?

3 A. No.

4 Q. Do any other divisions of Ortho have such
5 a position?

6 A. I'm not quite sure of all of the
7 divisions of Ortho in terms of titles. That is why
8 I am saying I don't know.

9 Q. Are you aware of any divisions of Ortho
10 besides DAD where there is a position Director of
11 Finance?

12 A. I'm not sure.

13 Q. Did you supervise employees?

14 A. At what point in time?

15 Q. At any point during your time at DAD.

16 A. Yes. I did.

17 Q. How many at a time?

18 A. Well, I started with no one. We were six
19 people towards year end 1993.

20 The beginning of 1994 I hired two people,
21 specifically one to help out with the finance side
22 of the day-to-day activities, finance accounting

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1 side at DAD, and a second person to coordinate
2 activities with Ortho Pharmaceutical related to
3 manufacturing and operation. Those two individuals
4 reported directly to me.

5 Q. I'm sorry?

6 A. So, that is where we started.

7 Q. Okay.

8 A. I'm not 100 percent sure on timing, but
9 during the first quarter we had a person working
10 temporary. Well, not temporary, but on a
11 part-time basis from the Human Resource department
12 at Ortho Pharmaceutical at DAD physically. She
13 would come over to DAD a couple of days a week.
14 While she was at DAD she reported to me, but her
15 formal reporting structure was to her direct
16 supervisor at Ortho Pharmaceutical.

17 Then approximately March or April Margie
18 Blosser, who has since been married and now is
19 Margie Gladstone, transferred from being Elliott's
20 direct administrative assistant and office
21 supervisor to being just office supervisor. When
22 she became just office supervisor, she began

1 reporting to me. I want to say this was March or
2 April of '94.

3 Q. Were there any other employees under your
4 supervision?

5 A. Again, from a timing perspective, it was
6 some time during the first quarter we hired a
7 college intern to help out with paperwork who
8 reported to me.

9 Q. Going back to the first two employees who
10 you hired, I think you said early '94 --

11 A. End of '93, early '94.

12 Q. What are their names?

13 A. Cindy Ziemba. She was the accounting
14 support person. And Bruce Sawyer was on the
15 manufacturing operations side.

16 Q. Did they have specific titles?

17 A. They did.

18 Cindy was a senior analyst in terms of
19 title.

20 I don't remember Bruce's title. I think
21 it was manager of operations logistics, something
22 on that magnitude, putting the operations name in

1 with a manager.

2 Q. Then after that a part-time employee was
3 hired.

4 What was that person's name?

5 A. Christine Briggs. She was the college
6 intern.

7 Q. Did DAD have any management committees?
8 Was there an executive committee?

9 A. Not that I'm aware of in terms of
10 executive committee.

11 Could you clarify what you mean by
12 executive committee?

13 Q. Was there any standing ongoing group?

14 A. I really don't understand what you are
15 trying to ask.

16 Q. Okay.

17 In terms of running or operating DAD, in
18 terms of the decision-making process about what it
19 was doing, were there meetings held in which the
20 operation of DAD was discussed?

21 A. Not with myself. I'm not sure if there
22 were other people who could have met to do that.

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1 Q. Did you meet with Millenson to discuss
2 the finances of DAD?

3 A. On a monthly basis we would review any
4 actual payments that had occurred in the month for
5 the division versus what we had said was going to
6 occur in terms of budget and talk about where we
7 were in terms of money left to spend during the
8 current year. Things of that nature.

9 Q. Where are the DAD offices located? What
10 city?

11 A. It's one of three towns because the towns
12 run into one another. It's either Bridgewater, New
13 Jersey, Somerville, New Jersey or Raritan. They
14 are all up against one another. I'm not sure which
15 one is which.

16 Q. Were all DAD employees in the same
17 building?

18 A. While I was there?

19 Q. While you were there.

20 A. Yes.

21 Q. Were they all on the same floor in the
22 same building?

1 A. Yes.

2 Q. So, your office, for example, was it
3 nearby in physical terms of Millenson's office?

4 A. I started in a cubicle. We had no
5 offices. We were six people.

6 We constructed offices and I did have a
7 physical location in one of the offices. Elliott
8 was in an office. Wendy was in an office. It was
9 just like a bank of offices. If you walk down the
10 hallway, office, office, office.

11 Q. Did Gary Parlin have an office there?

12 A. No. He did not.

13 Q. Where in physical terms did he work?

14 A. Gary's physical location was or is in New
15 Brunswick, New Jersey.

16 Q. You said that Mr. Millenson reported to
17 Mr. Parlin.

18 Did Mr. Parlin keep a close watch over
19 DAD?

20 A. I'm not sure what you mean by a close
21 watch.

22 Q. Was he involved in the day-to-day

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1 operations at DAD?

2 A. I don't know. Not to the best of my
3 knowledge.

4 Q. Did you have interaction with Mr. Parlin?

5 A. Well, as I said earlier, I sent Mr.
6 Parlin on a quarterly basis Mr. Millenson's expense
7 reports.

8 Also when we were putting together
9 budgets and forecast, Elliott and I would go and
10 present those to Mr. Parlin for acceptance, review,
11 whatever language was most appropriate.

12 When things came up in terms of large
13 expenditures, that he would definitely see. I made
14 him aware that they were coming.

15 Q. Did you talk to Mr. Parlin on other
16 occasions besides the specific ones that you noted?

17 A. On occasion if something came up that I
18 thought he should know about, I would talk to
19 Mr. Parlin.

20 Q. Can you give me examples?

21 A. Well, there was one personal situation
22 with myself that I definitely remember talking to

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1 Mr. Parlin about, which was a heated discussion
2 between myself and Mr. Millenson that I thought
3 Mr. Parlin should know about.

4 Then we did have some feedback from some
5 of our individuals in the administrative support
6 area, secretarial functions, who came to me in
7 confidence to talk to Mr. Parlin about what they
8 thought was a bad environment.

9 Q. Can you tell me what you identified as, I
10 think personal problem?

11 A. It wasn't a personal problem. It was a
12 personal discussion between Elliott and myself.

13 Q. I'm sorry.

14 When was that roughly about?

15 A. Roughly in April of 1994.

16 I was on vacation for a week. I don't
17 know what week it was. During that week, after the
18 fact, I learned that one of Mr. Millenson's friends
19 was playing a prank on him saying that the FDA was
20 at our front door one day at 5 p.m. during the week
21 I was on vacation.

22 Mr. Millenson, believing that the FDA was

1 there, literally ran around the office site we had,
2 which was relatively small, yelling at everyone to
3 look busy, stop laughing, get serious, et cetera.
4 He discovered sometime after that fact that it was
5 a prank, but never told the folks in the office
6 that it was a prank.

7 I came back from vacation. A number of
8 people who were there came to me and said,
9 something happened last week and Elliott got very
10 upset and very vocal, we don't know what is going
11 on, could you go find out? They were fearful to do
12 it themselves. They asked me to do that.

13 I did go to Mr. Millenson and
14 Mr. Millenson explained to me that indeed it was a
15 prank, but requested the names of the people who
16 came to me. I said they came to me in confidence.
17 He said, you are trying to hide things from me and
18 I don't have any confidence in you for hiding
19 things.

20 That, needless to say, upset me and I
21 went to Mr. Parlin to tell him what happened.

22 Q. Did Mr. Millenson know that you went to

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1 Mr. Parlin? Did he find out?

2 A. I have no idea.

3 Q. You mentioned support staff being
4 fearful.

5 Can you tell me about that?

6 A. Mr. Millenson is a very demanding person
7 or was a very demanding person at that point in
8 time, to the point that administrative support
9 staff were demanded, you will work until 7 p.m.,
10 you will work overtime, on occasion you will be
11 here on weekends, no choice, irregardless of work
12 and family issues, things of that nature.

13 Unfortunately, there were a couple of
14 situations where a couple of support people were
15 fired or asked to leave and the people were very
16 fearful of Mr. Millenson.

17 That is the basic.

18 Q. Did Mr. Millenson ever fire anyone who
19 was working for you?

20 A. Myself directly, no.

21 Q. So, how would you characterize your
22 relationship with Mr. Millenson?

1 A. Can I characterize it in two parts?

2 Q. Absolutely.

3 A. From August of '93 until whatever that
4 week in April was of '94, I thought we had a very
5 good rapport. I thought that I was supporting him
6 to the best of my abilities. And based on feedback
7 from him and also feedback that he gave Mr.
8 Parlin, which Mr. Parlin in turn gave me, he said
9 you are doing a good job. Elliott has told me
10 that. Things were I thought very good.

11 Once Elliott -- and this is my opinion --
12 once Elliott thought I violated his confidence, our
13 relationship deteriorated to the point of he did
14 not trust me at all in my mind.

15 Q. How was Mr. Parlin's relationship with
16 Mr. Millenson?

17 A. I don't know.

18 Q. When did you say that you left DAD?

19 A. The end of October of 1994.

20 Q. Why did you leave?

21 A. For clarity purposes, after I had this
22 discussion with Mr. Parlin back in April, Mr.

1 Parlin requested that I stay with DAD through what
2 we called the business plan cycle, which ends in
3 October.

4 The business plan cycle is when you are
5 putting together forecasts and budgets and things
6 of that nature for the next two year period. So,
7 at that point in time we were talking about what we
8 were going to spend in '94, what was going to
9 happen in '95 and then '96.

10 Mr. Parlin requested that I indeed stay
11 through that entire process and that when that
12 process was complete that he would move me out of
13 DAD.

14 Q. So, that process was complete in late
15 October of '94?

16 A. Correct.

17 Q. Did Millenson fire you?

18 A. No.

19 Q. When did you first become aware of
20 contributions to political candidates being made at
21 DAD?

22 A. Before they ever happened.

9 7 0 4 3 8 0 6 7 5

1 The first situation or the first thing
2 that occurred was in November of 1993. Elliott
3 came to me and said, do you know if political
4 contributions are legal from the company. I did
5 not know at all. We had a discussion because he
6 did not know either. Neither one of us knew. We
7 had a discussion that there was a function coming
8 up in the near future that Elliott would like to
9 buy seats at a table for and he would like to know
10 if that could be done in a person's name and the
11 company would reimburse for those. That was more
12 explanation. I did not know what it was in terms
13 of legal versus illegal. He did not know.

14 So, we agreed to check it out, for lack
15 of a better word. I told him that I would go to
16 Ortho Pharmaceutical and he told me he would talk
17 with the Johnson & Johnson Government Affairs
18 office here in Washington.

19 That is what we did. We both got the
20 same feedback at that point that said it was not
21 illegal to do this, though it was not company
22 procedure. Normal procedure was to use the Good

1 Government Fund, which is the PAC for Johnson &
2 Johnson.

3 Q. You mentioned that contributions had to
4 do with a function.

5 What function was that?

6 A. It was a dinner for the reelection of
7 Senator Kennedy. It was buying seats at a table.

8 Can I add one more thing to that?

9 Q. Yes.

10 A. We bought the seats, but we didn't go.

11 Q. When you say we didn't go?

12 A. To the best of my knowledge -- I am not
13 sure about Mr. Millenson one way or the other --
14 the three individuals, Margie Blosser, who bought
15 one seat, Bill Pagels, who bought one seat, and
16 myself, we bought the seat and the tickets went to
17 someone else.

18 Q. Do you know why Mr. Millenson wanted to
19 contribute to this particular candidate?

20 A. His opinion, and he shared this with me,
21 was that this was good for the business of DAD.

22 Q. Do you know if Millenson had contact with

1 the Kennedy campaign?

2 A. I have no idea.

3 Q. Did Millenson ever say anything about
4 having contacts with the campaign?

5 A. No.

6 Q. You said that you spoke to somebody about
7 the legality of the contributions.

8 Who did you speak to?

9 A. I spoke with a gentleman at Ortho named
10 Jerry Hollamen, H-O-L-L-A-M-E-N.

11 These are rough spellings. Okay?

12 Q. That is fine.

13 Why did you go to him?

14 A. At that point in time Jerry was the
15 person who at company functions, like in the
16 auditorium at Ortho what is going on in the
17 business, he would be the person that got up and
18 talked about the Good Government Fund in terms of
19 it was the right thing to contribute to, things of
20 that sort.

21 Q. What was his title at that time?

22 A. I don't know.

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1 Q. He was an employee of Ortho
2 Pharmaceutical?

3 A. Correct.

4 Well, I think he was an employee of Ortho
5 Pharmaceutical. He was in the Ortho Pharmaceutical
6 building.

7 Q. What did you ask him precisely?

8 A. Precisely I asked him, is it legal to
9 contribute to a reelection campaign, in this
10 situation buying seats at a dinner?

11 Q. When you say contribute, what source of
12 money were you referring to?

13 A. Is it correct that Ortho Pharmaceutical
14 would reimburse people if they put on an expense
15 report these things.

16 Q. And his response?

17 A. As I said earlier, his response was, it's
18 not illegal, but it is not our practice.

19 Q. Did you have any further discussion with
20 him?

21 A. No. I did not.

22 Q. Did you ask anybody else?

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1 A. No. I didn't think it was necessary.
2 Mr. Millenson corroborated my conversation with
3 Jerry. So, in my mind, from two different sources
4 getting the same answer was okay to proceed.

5 Q. Who did Mr. Millenson ask?

6 A. I don't know.

7 Q. You said he asked at the Johnson &
8 Johnson Government Relations?

9 A. Government Affairs Office in Washington.

10 Q. Affairs?

11 A. I'm not sure, again, of the specific
12 title.

13 Q. Did Mr. Millenson ever tell you who he
14 had spoken to?

15 A. No. He did not.

16 Q. So, when you had done your asking,
17 Mr. Millenson had done his, what discussion did you
18 and Mr. Millenson have after that?

19 A. That it was not illegal, it was not what
20 normal procedure was, and that we would insure that
21 we do a contributions report for all contributions
22 we make, that we would make sure that it stood as a

1 separate item, and that is what we did.

2 Q. Can you tell me what that contributions
3 report is?

4 A. It's just a report we kept for the
5 company that listed all contributions that we made.

6 Q. When you say all contributions, that
7 encompasses what?

8 A. There are contributions that we were
9 making to the AIDS community. The product was an
10 HIV test kit. So, there were AIDS organizations we
11 contributed to. There were these political
12 contributions. There were research organizations
13 that we contributed to.

14 That was generally what we contributed
15 to.

16 Q. That contributions report went to who?

17 A. It was an internal document for
18 ourselves. Then annually contributions get
19 summarized and sent to Johnson & Johnson so that
20 Johnson & Johnson knows all contributions.

21 It's a report that you just put together.

22 Q. When were these contributions to Kennedy

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1 made?

2 A. November '93, beginning of December.

3 Q. So, would the contributions to Kennedy
4 have been on a 1993 version of this contributions
5 report?

6 A. Correct. That is correct.

7 Q. Early on when I asked you about what you
8 had reviewed for today you mentioned that you had
9 reviewed documents from the arbitration of
10 Mr. Millenson and the corporations.

11 Are you familiar with Mr. Millenson's
12 testimony from that?

13 A. Not specifically.

14 MR. ALLEN: I would like to introduce as
15 Exhibit 1 a few selections from his testimony in
16 that arbitration.

17 (Barr Exhibit No. 1
18 was marked for identification.)

19 MR. ALLEN: This is just a very small
20 part of his overall testimony.

21 BY MR. ALLEN:

22 Q. If you can turn to the third page and

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1 then, it's upper right, page 192, under the A there
2 at line 8 all the way through on to about half the
3 way down the page 193.

4 A. Are you telling me I should read this?

5 Q. Why don't you read it, please? Yes.

6 A. (Witness complies.)

7 Okay.

8 Q. To your knowledge, is this an accurate
9 description of what took place?

10 A. It's generally accurate to line 10 on
11 page 193.

12 I did not talk to Washington. He did.

13 Q. Do you have any idea why he would have
14 presented it as though you did?

15 A. I have no idea.

16 Q. Who did Mr. Millenson ask to contribute
17 to Kennedy?

18 I'm sorry. It's not in there.

19 A. Well, it's the next question.

20 Q. Okay.

21 A. Can I go back and clarify one thing?

22 Q. Sure.

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1 A. It's the beginning of the answer.

2 When we discussed this situation never
3 did Elliott verbalize that he had any vague notion
4 of anything. It was just a question of do you
5 know. I said, I don't know. I said, do you know?
6 He said, I don't know. We went our separate ways
7 to find out if it was legal or illegal.

8 He never to me said, I think this might
9 be prohibited or anything of that nature. This was
10 a very short conversation. It was like, you check
11 it out, I will check it out, and we will get back
12 to one another and see what we get.

13 Q. Did you have any reason to think over the
14 course of conversations with Mr. Millenson
15 regarding the legality of these contributions that
16 he knew?

17 A. No.

18 Q. That it was illegal?

19 A. No.

20 The conversation we had, neither one of
21 us had one way or other a context for this
22 particular subject.

1 Q. That is it for this for now. I am just
2 going to leave these in a pile here.

3 A. Can I take a biological break?

4 Q. Absolutely.

5 MR. ALLEN: Off the record.

6 (Recess.)

7 MR. ALLEN: Back on the record.

8 BY MR. ALLEN:

9 Q. You said that Millenson asked you to
10 contribute to Kennedy's reelection campaign and
11 that he also asked Margaret Blosser and William
12 Pagels?

13 A. Correct.

14 Q. Did he ask anybody else?

15 A. Not that I'm aware of.

16 Q. How did Mr. Millenson select you three?

17 A. I have no idea.

18 Q. Had you ever made political contributions
19 previous to the Kennedy contribution?

20 A. No.

21 Let me clarify. On your tax return
22 thing.

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1 Q. Thank you. I understand. The public
2 presidential.

3 A. Right.

4 Q. That doesn't count.

5 So, how did Mr. Millenson approach you
6 about making the contribution?

7 A. This is the right thing to do for the
8 business, it's reimbursable, could you write a
9 check and we will put it through on an expense
10 report.

11 Q. How did you respond to that request?

12 A. With his going to the Washington office
13 for Johnson & Johnson and me going to Ortho, I knew
14 it was not illegal, it was outside of policy, but
15 based on his feedback that this was the right thing
16 to do for the business, I made the expenditure
17 personally and put through an expense report.

18 Q. Had you ever previously been asked to
19 make a political contribution? And I will exclude
20 the company PAC from that.

21 A. Other than the PAC where people would
22 request it, no.

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1 Q. What was William Pagels' position at DAD?

2 A. I'm not quite sure of his title, but he
3 was a research scientist type person who focused on
4 the actual test that would be done on the dry blood
5 specimens that were in the test kit. That was his
6 area of expertise.

7 Q. Who did he report to?

8 A. At which points in time?

9 Q. Well, start when you were first there.

10 A. When I was first there he reported to
11 Wendy Strongin directly.

12 I'm not quite sure when during 1994, but
13 a number of other research people were hired, one
14 person over him whose name I can't recall. I can
15 see the person, but I just can't recall his name.

16 Do you want me to describe him?

17 Q. Do you know what that other person's
18 title was?

19 A. No. I do not.

20 Q. Do you know what that other person's
21 responsibilities were?

22 A. He was responsible for the total research

1 effort around our current product and then we were
2 obviously looking for new products and things of
3 that nature.

4 Q. Did that person in turn report to Wendy
5 Strongin?

6 A. That is correct.

7 Q. How did Mr. Millenson go about asking
8 William Pagels for a contribution?

9 A. I don't know.

10 Q. Were you present when Mr. Millenson asked
11 Mr. Pagels?

12 A. I don't think I was. I don't remember
13 that I was there or not there.

14 Q. Do you know how Mr. Pagels responded to
15 the request?

16 A. Not other than he did write a check
17 because I later saw the expense report and the
18 affidavit, paperwork things.

19 Q. Did Mr. Pagels ever say anything to you
20 about the contribution?

21 A. During that time, no.

22 Q. What was Margaret Blosser's position at

1 the time that Mr. Millenson asked her to
2 contribute?

3 A. She was his direct administrative support
4 person, his secretary, and she was also office
5 supervisor in terms of coordinating office
6 equipment and cubicles for people to sit in,
7 personal computers, things of that nature.

8 Q. Now, at some point in time after that
9 Margaret Blosser went to work for you?

10 A. That is correct. As I said earlier.

11 Q. Why did she move from working for
12 Mr. Millenson to working for you?

13 A. Because the office supervisor function as
14 we were growing from six people to eventually
15 thirty people, the job of coordinating the office
16 activities became such that it was a full-time job
17 by itself to stand alone.

18 Q. How was Ms. Blosser's working
19 relationship with Mr. Millenson?

20 A. I'm not sure what you mean.

21 Q. Did they get along?

22 A. In my experience they worked extremely

1 closely together.

2 Q. To your knowledge, did she enjoy working
3 for him?

4 A. At points in time she definitely enjoyed
5 working for him. At other points in time she was
6 not as happy.

7 Q. Can you explain that?

8 A. When I first arrived at DAD she actually
9 had come with Mr. Millenson from Chicago. She
10 worked for Mr. Millenson in Chicago. When he came
11 to New Jersey he brought her with him as his
12 administrative assistant, which is not ordinary in
13 my experience that you would bring your admin
14 support person with you. You would find one in New
15 Jersey when you moved to your new local.

16 She was well compensated for her position
17 and was happy in her position. I want to say happy
18 during 1993, very happy. Then during 1994 their
19 relationship was not as close, and I don't know why
20 specifically. It just wasn't as close as it had
21 been in the past.

22 Q. Did she ever say anything to you about

1 that?

2 A. The only thing I can specifically
3 remember is she said the person that he is now is
4 not the same person I knew in Chicago and I would
5 not have come had I known how things were going to
6 evolve.

7 Q. Did Ms. Blosser end up leaving DAD before
8 you did?

9 A. Yes.

10 Q. When was that?

11 A. June 1994.

12 Q. Can you tell me the circumstances of her
13 departure?

14 A. She was getting married and her husband
15 lived in Florida. She chose instead of him coming
16 to New Jersey that she was going to go to Florida.

17 Q. Did Millenson fire her?

18 A. No.

19 Q. Do you know how Ms. Blosser responded
20 to Millenson's contribution request?

21 A. No. Other than she made it.

22 Q. Did she ever say anything to you about

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1 the request?

2 A. No.

3 Q. Do you know why Mr. Millenson asked the
4 three employees who he did ask and not his wife?

5 A. No. I don't.

6 Q. Do you know if he asked anybody else to
7 contribute?

8 A. No. I do not.

9 Q. In your previous positions at Ortho prior
10 to the time that you went to DAD, had you ever
11 encountered the reimbursement of political
12 contributions?

13 A. I think I said this earlier, but no, I
14 did not.

15 MR. ALLEN: I would like to introduce
16 another exhibit. It's a November 11, 1993
17 facsimile from Bruce Decker to Elliott Millenson.

18 (Barr Exhibit No. 2
19 was marked for identification.)

20 BY MR. ALLEN:

21 Q. What was Bruce Decker's connection with
22 DAD?

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1 A. Bruce was a consultant who worked
2 for, I'm not sure of the exact name of the company,
3 Health Policy and Research. He was also one of the
4 principals in the company. He was, for lack of a
5 better word, the point person for dealing and
6 working with the AIDS activist community for DAD,
7 representing DAD.

8 Q. Did you ever see this facsimile?

9 A. I saw this yesterday for the first time.

10 Q. Now, you said that Millenson did say to
11 you that he had received some request for the
12 reelection of Kennedy contributions?

13 A. Yes.

14 Q. In the first paragraph, I think it's the
15 third sentence, it says: "I am buying two, and
16 suggest that you buy four".

17 Did Bruce Decker ever put in to be
18 reimbursed for contributions to Kennedy?

19 A. I am not positive, but I am almost sure
20 he would have.

21 Q. You say that because?

22 A. Bruce was very exact with his expense

1 reimbursements for the work he was doing for DAD.

2 Q. When you say exact, were any of his
3 requests ever refused?

4 A. Not to my knowledge refused. I know that
5 the bills came directly to Elliott and Elliott
6 reviewed them personally and I know that questions
7 often came up.

8 Q. When you wrote your contribution check,
9 who did you give it to?

10 A. That is a good question. I don't
11 remember. I think I gave it to Elliott directly.
12 That is a guess. I think I gave it to Elliott
13 directly.

14 Q. Do you know how it got to the campaign?

15 A. No. I do not.

16 Q. You had said before that you did not
17 attend the fund raiser.

18 A. That is correct.

19 Q. Did Mr. Millenson?

20 A. As I said earlier, I don't know if he did
21 or not.

22 Q. So, the four individuals who contributed,

1 yourself, Mr. Millenson, Ms. Blosser and
2 Mr. Pagels, you all filled out expense reports to
3 be reimbursed?

4 A. That is correct.

5 Q. Who did you submit your expense report
6 to?

7 A. To Mr. Millenson.

8 Q. That was in the ordinary course?

9 A. Right.

10 Again, as I had also said earlier, your
11 direct supervisor is who approves your expense
12 reports up to dollar limits and then it would have
13 to go to the next supervisor, et cetera.

14 Q. And this was \$500. So, it would not have
15 had to go beyond the direct supervisor?

16 A. That is correct.

17 Q. So, Mr. Pagels submitted his expense
18 report to?

19 A. I am assuming Wendy Strongin.

20 Q. Wendy Strongin?

21 A. Yes.

22 Q. And Ms. Blosser then submitted hers to?

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1 A. Either me or Elliott. I can't remember
2 which.

3 Q. So, although she was in late 1993 working
4 directly under Mr. Millenson, she may have
5 submitted her expense report to you?

6 A. There were times when Mr. Millenson was
7 out of the office, often occasions actually, and he
8 would delegate his signature authority so people's
9 personal expenses and things wouldn't be held up in
10 terms of being out of pocket. So, on occasion I
11 would sign things that he would have signed that
12 were outside of my authority.

13 Q. Did he always delegate that authority to
14 you?

15 A. Not always. Sometimes if Wendy was in
16 the office he would delegate it to her.

17 Q. And Mr. Millenson's expense report went
18 to who?

19 A. For initial approval it went to me so
20 that he could be immediately reimbursed. And
21 again, as I had said earlier, on a quarterly basis
22 they were accumulated and sent to Mr. Parlin for

1 his final review.

2 Q. So, you approved Mr. Millenson's expense
3 report? Is that the case?

4 A. Correct.

5 I mean for clarity, so that he would not
6 be out of pocket in an immediate fashion, I would
7 approve it. Quarterly it would be accumulated,
8 sent to Mr. Parlin and Mr. Parlin had final
9 approval.

10 Q. I'm sorry. Did you say that you weren't
11 sure whether you or Mr. Millenson had approved Ms.
12 Blosser's expense?

13 A. I can't remember if I signed it or he
14 signed it.

15 Q. Okay.

16 MR. ALLEN: This is another document.
17 It's Margaret Blosser's expense report dated
18 November 17, 1993.

19 (Barr Exhibit No. 3
20 was marked for identification.)

21 BY MR. ALLEN:

22 Q. That is your signature in the approval

1 box?

2 A. That is correct.

3 Q. I wanted to ask about some of the numbers
4 on this report just so I have this all straight.

5 In the upper right-hand corner there is a
6 box, department accounting code.

7 A. Correct.

8 Q. What does that mean?

9 A. That distinguishes the expense as Direct
10 Access Diagnostics.

11 Q. Because Ortho cut checks?

12 A. Correct.

13 Q. For Ortho?

14 A. For Ortho. For other divisions inside of
15 Ortho.

16 The numbers, I don't know exactly how
17 they worked themselves through, but this designates
18 that this is for the DAD division for a specific
19 department for a specific type of expense.

20 Q. And tail code?

21 A. Is the specific type of expense.

22 Q. I can't read the original number under

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1 tail code. It looks like 541000.

2 Do you know what that tail code meant?

3 A. Travel general.

4 Q. It's crossed out and underneath it there
5 is a 650009.

6 A. Contributions.

7 Q. So, who would have originally put the
8 541000 on this report?

9 A. I don't know if it's either an Excel or
10 Lotus spreadsheet. That is a default. An expense
11 report defaults to travel general. So, it just
12 gets filled out and gets forwarded along.

13 Q. Who then would have crossed out the
14 default?

15 A. Me.

16 Q. That was you. Okay.

17 That handwritten note in the center top
18 there, did you write that?

19 A. No. I did not.

20 Q. The bottom part of it looks like a date.
21 It's hard to read.

22 Directly above that, do you know if those

1 were somebody's initials?

2 A. I would be guessing and I don't want to
3 guess.

4 Q. Who do you think would have written
5 something on to an expense report?

6 MS. UTRECHT: He has already testified
7 that he doesn't know who wrote this.

8 MR. ALLEN: Okay.

9 BY MR. ALLEN:

10 Q. Is it safe to say that this writing was
11 not on here when you signed the expense report?

12 A. Yes.

13 Q. And the expense report went from you to
14 Ortho?

15 A. The clerical organization I had discussed
16 previously.

17 Q. So, I am assuming somebody at Ortho wrote
18 this.

19 A. That is your assumption. I don't know.

20 MR. ALLEN: I would like to introduce
21 another exhibit. This is an expense report of
22 William Pagels's.

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1 (Barr Exhibit No. 4
2 was marked for identification.)

3 BY MR. ALLEN:

4 Q. You had said that Mr. Pagels expense
5 report would have gone to Wendy Strongin.

6 A. That is correct.

7 Q. Do you know if that is her signature
8 there?

9 A. It would be a guess, but I think it is.
10 But that is a guess.

11 Q. Where would this expense report with
12 Wendy Strongin's signature on it go to after she
13 signed off on it?

14 A. The same place that Margie's would have
15 went to or mine or Elliott's. It would have went
16 to the clerical organization in Ortho
17 Pharmaceutical.

18 Q. So, it would not have gone through you?

19 A. No.

20 MR. ALLEN: I would like to introduce
21 another document, a November 22nd, 1993 memorandum
22 from Jim Barr to a Mr. F. Campbell.

1 (Barr Exhibit No. 5
2 was marked for identification.)

3 BY MR. ALLEN:

4 Q. Who is Mr. F. Campbell?

5 A. Frank Campbell at that time was the
6 manager of the clerical organization I had
7 referenced earlier from Ortho Pharmaceutical.

8 Q. Was he later replaced by Andrea Munley?

9 A. No. Andrea reported to Frank.

10 Q. What prompted you to send this?

11 A. These expense reports were out of the
12 ordinary.

13 Q. They were out of the ordinary because?

14 A. As I had stated earlier, contributions, I
15 had never seen them before. Normal procedure was
16 to go through PAC, our PAC, and it was appropriate
17 in my mind to document this as a unique situation.

18 Q. This \$2,000 contribution that the memo
19 references in four \$500 checks, that refers to the
20 checks written by you, Mr. Millenson, Ms. Blosser
21 and Mr. Pagels?

22 A. That is correct.

1 Q. The sentence says: "We realize this is
2 not normal J & J procedure and we have contacted
3 Corporate's Government Affairs office to inform
4 them of this contribution."

5 The second half of that sentence, is that
6 referring to Mr. Millenson asking about the
7 legality of the reimbursements?

8 A. That is correct.

9 Q. So, to your knowledge then, he both asked
10 them about the legality of it and, as it says here,
11 informed them that these contributions were
12 actually happening?

13 A. To the best of my knowledge, that is what
14 occurred.

15 Q. And the last sentence, first paragraph,
16 this contributions report refers to the
17 contributions report that you mentioned earlier,
18 the annual?

19 A. You put them all together on a sheet of
20 paper.

21 Q. Did anybody at Ortho ask about these
22 reimbursements prior to the time that you sent this

1 memo?

2 A. Not that I remember. For me it was my
3 documentation to a unique situation.

4 Q. So, this was not in response to a
5 question that someone at Ortho had raised?

6 A. Correct.

7 Q. The handwritten note, that looks like
8 FJC.

9 Do you know if that refers to
10 Mr. Campbell?

11 A. I would be guessing.

12 Q. It reads: "Please see Andrea on this
13 ASAP. Jim called on Friday to check."

14 That Andrea, would that be Andrea Munley?

15 A. I would be guessing that it would be her.

16 Q. Jim called on Friday to check.

17 Did you call on Friday to check?

18 A. I may have called to say has this check
19 been cut to get the money back, but I don't
20 remember specifically.

21 Q. Do you know what that 60 in quotes that
22 is underlined refers to?

1 A. I have no idea.

2 Q. Then there is another handwritten item
3 towards the bottom: "\$58 per year per \$100".

4 Do you know what that refers to?

5 A. I have no idea.

6 Q. Who is Deb?

7 A. I have no idea. I would be guessing.

8 I mean, it would be all guesses in terms
9 of names. I mean, it's a guess that this is
10 referring to me, this Jim.

11 Q. I understand you didn't write this note.

12 So, were you aware of there being any
13 Ortho financial employee named Deb?

14 A. There are a number of people who have
15 that name.

16 Q. Did you ever have any interaction with an
17 Ortho finance employee named Deb?

18 A. Yes. A number of them over time.

19 Q. What are their last names?

20 A. There is McHale. There is Sabbia.

21 Bollinger. I don't recall all the last names. Deb
22 is a relatively common name.

1 Q. Can you tell me what their positions
2 were?

3 A. At that point in time the people I
4 referenced, Debbie McHale was a secretary
5 supporting the general accounting function. The
6 other two individuals were in operations support
7 and manufacturing support.

8 Actually, Deb Bollinger may have left by
9 then. She went on to get her master's and left the
10 company. So, I'm not sure from a timing
11 perspective.

12 Q. Did anything happen in response to this
13 memo?

14 A. To the best of my knowledge, no. The
15 memo was just for support.

16 The reimbursements occurred. I got my
17 check. To the best of my knowledge, the other
18 three individuals also received their
19 reimbursement.

20 Q. Did Mr. Campbell call you in response to
21 this memo?

22 A. Yes. He called just to say this is out

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1 of the ordinary and I said, yes, and I documented
2 it.

3 Q. Did he say anything else?

4 A. Not that I recall.

5 Q. So, of the four contributors to Kennedy,
6 was Mr. Millenson's the only one that needed
7 approval, final approval at a higher level?

8 A. That is correct.

9 Q. And that was Mr. Parlin?

10 A. As I had stated earlier, on a quarterly
11 basis Mr. Parlin received all the expense reports.

12 Q. So, he would have received that one at
13 the end of 1993?

14 A. Or January of '94.

15 I'm not sure if it was right at the end
16 or into the beginning of January in terms of when
17 they were sent.

18 Q. Did you put a cover memo on to those
19 reports explaining this contribution, Mr.
20 Millenson's contribution to Kennedy?

21 A. I always put a buck slip, short note,
22 here are the expenses for the quarter, and

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1 highlighted things that I thought were unique.

2 I don't remember if I referenced and
3 specifically said this is an unique situation on
4 this one or not. I don't recall.

5 Q. Do you have a copy?

6 A. No.

7 Q. Of the fourth quarter '93?

8 A. No.

9 Q. Cover slip?

10 A. No. Just a buck slip.

11 It was just as you type it up here are
12 the things, and you send it along. It wasn't
13 anything CC or anything like that. It was just,
14 here is the data.

15 Q. Did Parlin ever have any questions
16 about Millenson's expense reports?

17 A. Yes.

18 Q. Would he ask you?

19 A. He would ask me for clarity if it was
20 something referenced, what was this, do you know
21 what this was, or he would talk to Mr. Millenson
22 directly.

1 I know in one particular situation he did
2 talk to Mr. Millenson directly.

3 Q. Did Mr. Parlin ask you anything about
4 Mr. Millenson's reimbursement of his Kennedy
5 contribution?

6 A. No. He did not.

7 Q. Do you know if Parlin spoke to Millenson
8 about the Kennedy contribution?

9 A. No. I do not.

10 MR. ALLEN: Mark this as the next
11 document. This is a list entitled, Summary Of
12 Internal Audit, Federal Political Contributions.

13 This is a list that counsel provided to
14 the Commission. I believe it was drafted in DAD,
15 Direct Access Diagnostics.

16 (Barr Exhibit No. 6
17 was marked for identification.)

18 BY MR. ALLEN:

19 Q. This lists the four contributions to
20 Kennedy as well as several other contributions.

21 Do you know why Millenson asked you and
22 the two others to contribute in the Kennedy

1 context, but not in the others?

2 A. I have no idea.

3 Q. After you put in an expense report for
4 your own contribution to Mr. Millenson, were you
5 after that reimbursed for the contribution?

6 A. I believe I said that earlier. To the
7 best of my knowledge, we all received our checks.
8 I received mine definitely. I believe everyone
9 else did also.

10 Q. Moving in roughly chronological order
11 down to the second to last contribution on the list
12 of Exhibit 6, New American Century Fund,
13 Elliott Millenson.

14 Do you know how this contribution came
15 about?

16 A. It doesn't ring a bell at all.

17 Q. Do you know who solicited it?

18 A. No.

19 Q. Do you know why Mr. Millenson would have
20 contributed to New American Century Fund?

21 A. I don't recall. I don't know. As I
22 said, I just don't know.

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1 Q. Did Mr. Millenson mention this
2 contribution to you?

3 A. It does not stand out in my memory at
4 all.

5 Q. Did you approve the reimbursement of this
6 contribution?

7 A. I don't remember, but I would guess I
8 did.

9 MR. ALLEN: I would like to introduce two
10 exhibits. They are both Elliott Millenson expense
11 reports dated April 11, 1994.

12 (Barr Exhibit Nos. 7 & 8
13 were marked for identification.)

14 BY MR. ALLEN:

15 Q. On Exhibit 8, that is your signature in
16 the approval box?

17 A. It does not look like my signature. I do
18 not remember not signing it, but that doesn't look
19 like my signature, that one, compared to the
20 others.

21 Q. Would anybody else ever sign documents
22 for you?

1 A. No. That is not correct. But if I was
2 rushing, that could be me.

3 MR. ALLEN: Let me add that the second
4 page of both Exhibit 7 and 8, which I think are the
5 same, only states contributions.

6 My knowledge of this as referencing the
7 New American Century Fund contribution is based on
8 when this was supplied by counsel in the order of
9 the documents.

10 MS. UTRECHT: When which was supplied by
11 counsel?

12 MR. ALLEN: March 27, 1995, the original
13 submission.

14 MS. UTRECHT: No. The original of which
15 document?

16 MR. ALLEN: 8.

17 MS. UTRECHT: Exhibit 8 is the one signed
18 JJ Barr.

19 MR. ALLEN: Yes. You are right.
20 7 was not part of that package.

21 BY MR. ALLEN:

22 Q. 7 has Mr. Parlin's signature and not

1 your's and 8 has your signature and not Mr.
2 Parlin's.

3 Can you tell me how that would have come
4 about?

5 A. Do you want a guess?

6 Q. Yes. Okay.

7 MS. UTRECHT: Why don't you answer first
8 whether you know.

9 THE WITNESS: I don't know exactly how
10 that could happen. I can make a couple of
11 estimations how that could happen.

12 BY MR. ALLEN:

13 Q. Okay.

14 A. As it relates to how Mr. Parlin's name
15 could be there and mine not be there, the
16 administrative assistant may have made a copy
17 before it came to me and had that in the file and
18 once I signed it just forwarded it along without
19 making a copy with my signature on it. That is my
20 guess on what happened with this situation.

21 Q. And then the copy that was made without
22 your signature obviously --

1 A. That is the only thing that was filed
2 then that then would have been gathered up for the
3 quarterly submission to Mr. Parlin.

4 Q. Did you ever discuss the reimbursement
5 for the New American Century Fund contribution with
6 anyone?

7 A. I don't recall it at all, as I had said
8 earlier.

9 Q. Did Mr. Parlin question you about this
10 contribution?

11 A. Not that I recall.

12 Q. Back on the contribution list, Exhibit 6,
13 there is a contribution five down, Harkin for
14 Senate, Elliott Millenson, \$250.

15 Do you know how that contribution came
16 about?

17 A. I don't know how it came about
18 specifically other than Elliott contributing to
19 Harkin for the good of DAD.

20 Q. Did he talk to you about that?

21 A. Not specifically.

22 Q. Do you know who solicited this

1 contribution?

2 A. No. I do not.

3 Q. Do you know why Millenson would have
4 contributed to Senator Harkin?

5 A. I think I already answered. I don't
6 know. No. I do not.

7 As I said, the only thing I can think of
8 is it is for the good of DAD.

9 MR. ALLEN: This will be Exhibit 9. This
10 is Elliott Millenson expense report dated November
11 28, 1994.

12 On page 2 the first contribution listed
13 is contribution to Senator Thomas Harkin.

14 (Barr Exhibit No. 9
15 was marked for identification.)

16 BY MR. ALLEN:

17 Q. That is your signature in the approval
18 box?

19 A. Yes. It is.

20 Q. That handwritten note at the bottom says:

21 "May 5th, 1994, Per Jim Barr, this has
22 been approved through the J & J lobbyist group in

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1 Washington, D.C. as was past contributions."

2 Do you know what that refers to?

3 A. I don't remember specifically, but if
4 when the clerical people gave me a call to say,
5 again reviewing paperwork, this is a check to a
6 Senator, I would have told them from our reference
7 to Kennedy that this had been checked out
8 previously, it was out of the ordinary, but as long
9 as we document on the quarterly contributions
10 report, it is okay.

11 Q. Who was the clerical person who you spoke
12 to?

13 A. I don't recall. There is a number of
14 people in that organization.

15 Q. And this, again, is at Ortho?

16 A. Correct.

17 Q. What is J & J's lobbyist group in
18 Washington, D.C.?

19 A. That is someone else's note. I don't
20 know what they are trying to say. I am guessing
21 they are referencing the Government Affairs office
22 in Washington.

1 That is their interpretation of what I
2 said. I am guessing.

3 Q. So, there is a Government Affairs Office,
4 J & J Government Affairs Office, in Washington,
5 D.C.

6 Is there an existing entity called J & J
7 lobbyist group?

8 A. No. There is not that I know of.

9 Q. The initials JES, do you know who that
10 is?

11 A. No. I do not.

12 Q. Are you familiar with a James E. Scallon?

13 A. Yes. I am. Yes. I do know Jim Scallon.

14 Q. Where does he work?

15 A. Today, I'm not sure.

16 Q. Where did he work in April 1994?

17 A. He was in Ortho Pharmaceutical.

18 Q. And what was his position?

19 A. I don't recall exactly at that point in
20 time. He was one of the entry level managers in
21 the accounting organization.

22 Q. You said earlier that Andrea Munley at

1 Ortho's accounting office worked for Frank
2 Campbell?

3 A. At that point in time.

4 Q. Did James Scallon work under Ms. Munley
5 or under Mr. Campbell?

6 A. You would have to go back to Ortho
7 Pharmaceutical, but they do rotations on a normal
8 basis. Frank may have moved during the beginning
9 of 1994 to another position and Jim would have
10 taken his position.

11 Q. Okay.

12 A. Frank is in another position today. That
13 I know for sure. As is Jim. I think he is in
14 sales and marketing. He left finance.

15 Q. You referred to Scallon as, did you say
16 entry level manager?

17 A. Correct.

18 Q. And that he may have replaced Campbell.
19 Just so I have the positions here clear.

20 A. Sure.

21 Q. Andrea Munley was a level under them in
22 the Ortho hierarchy?

1 A. Andrea was a senior clerical person
2 responsible for the day-to-day activities in the
3 processing department of expense reports.

4 Q. In the bottom right-hand corner on
5 Exhibit 9 there is a little "okay" and then
6 something underneath it.

7 Do you recognize those as initials?

8 A. No. I don't. Do you?

9 I don't mean to be flip. Excuse me.

10 Q. So, assuming for a minute that the JES on
11 this does refer to James Scallon at Ortho, who did
12 he report to?

13 A. I have no idea at that time in terms of
14 directly.

15 Q. In terms of the processing of expense
16 reports, was there somebody who was above
17 Mr. Campbell or Mr. Scallon who would be approving
18 expenses?

19 A. For every expense report that ran through
20 there?

21 Q. No. In any case.

22 A. If Mr. Campbell took a trip, his direct

1 supervisor would approve his expense report.

2 Q. Do you know who his supervisor was,
3 Mr. Campbell's?

4 A. No. I do not.

5 It's a very large organization, Ortho
6 Pharmaceutical.

7 Q. How about the supervisor of Mr. Scallon?

8 A. I would be guessing that it would have
9 been the same person that Mr. Campbell had reported
10 to.

11 Q. Do you know what the title of that
12 position would have been?

13 A. No. It could have been any number of
14 titles.

15 Q. To your knowledge, that writing
16 underneath the "okay" on Exhibit 9, is that
17 Mr. Parlin's initials?

18 A. No. To my knowledge, no.

19 Q. Did you ever speak with James Scallon
20 about contributions?

21 A. I may have talked to James or talked to a
22 clerical person about this specific one just based

1 on this note. I don't remember who the person was
2 specifically.

3 I think I said that earlier also.

4 Q. Both Exhibit 8, which is the expense
5 report for the New American Century Fund
6 contribution, and Exhibit 9, which is the expense
7 report for the Harkin contribution, have approval
8 dates in April 1994.

9 So, as a matter of course, because these
10 are Elliott Millenson's expenses, these expense
11 reports would have gone to Mr. Parlin at the end of
12 that quarter?

13 A. That is correct.

14 Q. And you said earlier that you ordinarily
15 included a buck slip as a cover --

16 A. Correct.

17 Q. -- to the expense reports?

18 A. That is correct.

19 Q. Did you include one in the second quarter
20 of '94?

21 A. I don't remember specifically one way or
22 another, but I am sure I put something on it, here

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1 is Elliott's expense reports.

2 Can we take another bio break? I
3 apologize.

4 MR. ALLEN: Off the record.

5 (Recess.)

6 MR. ALLEN: Back on the record.

7 I will introduce two more exhibits. The
8 order doesn't matter.

9 (Barr Exhibit Nos. 10 & 11
10 were marked for identification.)

11 BY MR. ALLEN:

12 Q. Exhibit 10 is an April 5th, 1994 memo
13 from Jim Barr to Gary Parlin entitled, First
14 Quarter Expenses, E.J. Millenson.

15 Exhibit 11 is an October 18, 1994 memo
16 from Jim Barr to Mr. G.B. Parlin, Third Quarter
17 Expenses, E.J. Millenson.

18 Are these examples of what you call a
19 buck slip that you would place along with
20 Elliott Millenson's expense reports when they went
21 to Gary Parlin?

22 A. That is correct.

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1 Q. And you said that you would attach one as
2 a matter of course.

3 A. Correct.

4 MR. ALLEN: We did not receive one in
5 response to the document subpoena that went out in
6 I think June of '96, as far as a cover memo like
7 Exhibits 10, 11, for the second quarter expenses.
8 I am concerned that if such a memo existed that
9 that might be responsive to the subpoena.

10 Is that something that can be looked
11 for?

12 MS. UTRECHT: Are you asking me or are
13 you asking the witness?

14 MR. ALLEN: Well, okay. Let me start
15 with the witness.

16 BY MR. ALLEN:

17 Q. Did you receive a subpoena from the
18 Federal Election Commission for documents?

19 THE WITNESS: Did I?

20 MS. MALIN: Yes.

21 THE WITNESS: The first letter. Okay.

22 No problem.

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1 BY MR. ALLEN:

2 Q. Dated, I think it's June of '96.

3 A. Yes.

4 Q. Did you then look for responsive
5 documents?

6 A. Yes. I did.

7 Q. You did not find a cover memo for second
8 quarter expenses?

9 A. As I had said earlier, I never made a
10 copy of these. This just went on the attachment of
11 the total expense reports. That was it. There
12 were not copies. It was the stack of expense
13 reports with a note on top.

14 MR. ALLEN: So, the similar subpoenas
15 that went to Johnson & Johnson and to Mr. Parlin,
16 was there a search made?

17 MS. UTRECHT: I am not sure what your
18 basis is for questioning counsel about a document
19 search during a deposition of Mr. Barr. If after
20 the deposition is concluded you want to discuss
21 that, if you have something to discuss about
22 documents or any request that the Commission has

1 made, I am happy to do that.

2 MR. ALLEN: Okay.

3 BY MR. ALLEN:

4 Q. Did you have any contact with Mr. Parlin
5 regarding the reimbursed contribution to Harkin?

6 A. Yes. I did.

7 Q. Can you tell me about that?

8 A. Roughly in the July time frame when
9 Mr. Parlin received the second quarter expense
10 reports he called and questioned the Harkin expense
11 report itself and asked me about it's legality. He
12 was worried about the legality of it. I assured
13 him that based on my conversation with Jerry
14 Hollamen that indeed it was legal.

15 He said, well, this is outside of what we
16 normally do, we normally go through our PAC. I
17 said, that is correct. He said at that moment, to
18 the best of my memory, he was very uncomfortable
19 with that and he would speak to Mr. Millenson about
20 these type of things going forward.

21 Am I allowed something subsequent to
22 that? I talked to Gary after that, way after the

1 fact on this.

2 Q. Yes.

3 A. Mr. Parlin told me, and I saw a document
4 that was also submitted to you, that he did not
5 want to see these anymore, that we should be using
6 the PAC, we should not be doing these things on
7 expense reports. I do not recall that.

8 The expenses that were incurred in
9 October I did approve and he told me subsequently
10 that he did not want to see those approvals, that
11 shouldn't have happened. That was my error.

12 Q. So, when Mr. Parlin told you that these
13 kinds of contributions shouldn't happen anymore --

14 A. As I said, I didn't recall. I recalled
15 he was very uncomfortable and said he was going to
16 talk to Mr. Millenson.

17 Subsequent to that, as I said, roughly
18 January or February of '95, when I was told that
19 these things were indeed illegal, Mr. Parlin said
20 that he did not want to see those. That is what he
21 told me in July. I am sure that is what he told
22 me. And it's my responsibility.

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1 Q. July of '94?

2 A. July of '94 my memory is he told me he
3 was uncomfortable and would talk to Elliott.

4 Q. Do you know if Parlin did speak
5 with Millenson?

6 A. No. I do not.

7 Q. Did Mr. Parlin convey that information to
8 you orally?

9 A. Via the phone.

10 Q. Did he put anything about that in writing
11 to you?

12 A. No. He did not.

13 Q. Did you ever talk with Mr. Millenson
14 about Parlin's instruction?

15 A. No. I did not.

16 Q. Back on Exhibit 6, which is the
17 contribution list, underneath the Harkin for Senate
18 contribution is Friends of M.M. Mezvinsky,
19 Elliott Millenson, \$250.

20 Do you know how this contribution came
21 about?

22 A. I don't recall.

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1 Q. Do you know who solicited it?

2 A. No. I do not.

3 If I can go further, I don't know who
4 Mezvinsky is.

5 Q. Do you know if Millenson had contact with
6 that campaign?

7 A. It would be a guess. I do not know.

8 Q. Did Millenson mention this contribution
9 to you?

10 A. I don't recall it as a specific
11 conversation.

12 Q. Did you approve the reimbursement?

13 A. I would assume I did.

14 MR. ALLEN: This will be Exhibit 12.
15 It's an Elliott Millenson expense report dated
16 October 3rd, 1994.

17 (Barr Exhibit No. 12
18 was marked for identification.)

19 BY MR. ALLEN:

20 Q. That is your signature in the approval
21 box on Exhibit 12?

22 A. Yes. It is.

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1 Q. Did anyone at Ortho contact you in
2 connection with this reimbursement?

3 A. Not at all that I recall.

4 Q. Did Mr. Parlin?

5 A. No. He did not.

6 Q. Did Mr. Parlin approve this contribution?

7 THE WITNESS: Can I talk about things I
8 know now after the fact?

9 MR. ALLEN: Okay.

10 MS. UTRECHT: That is fine.

11 THE WITNESS: This was a transition
12 period of me leaving DAD, the month of October.
13 When I left there was not a replacement for me
14 immediately.

15 There was an interim period of time where
16 the person who I had mentioned earlier, Cindy
17 Ziemba, the accounting support person, was given
18 the responsibility of approving Elliott's expense
19 reports and then gathering them together to ship to
20 Mr. Parlin on a quarterly basis. I told her to do
21 that function, but was not specific with her as to
22 how to do that.

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1 My method of getting things together for
2 Mr. Parlin was to sign the original document,
3 return it to Elliott's administrative assistant,
4 and then go to the administrative assistant on a
5 quarterly basis to get the whole quarter's worth of
6 expense reports, which then I would forward to
7 Mr. Parlin.

8 I was not specific with Cindy as to how
9 to do this function. The expense reports for
10 October I approved, gave back to the administrative
11 assistants. For November and December Cindy
12 approved, made a copy for herself -- I am
13 guessing. This is to the best of my knowledge.

14 BY MR. ALLEN:

15 Q. Okay.

16 A. And looked in my own files for expense
17 reports for Elliott for the month of October, saw
18 none, assumed there were none, shipped November and
19 December to Mr. Parlin for approval.

20 The ones in the month of October, to the
21 best of my knowledge, Gary did not see with the
22 November and December ones. He saw them after the

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1 fact. We had a clerical screw up in terms of my
2 not being specific with Cindy to say, here is what
3 I do to get them ready for Mr. Parlin.

4 Q. So, Mr. Parlin never did approve the
5 Mezvinsky reimbursement?

6 A. To my knowledge, the Mezvinsky and the
7 ones that occurred on October 25, which was one
8 expense report, Mr. Parlin never saw as a part of
9 approval. I believe he saw them after the fact.
10 That was our clerical screw up and that is my
11 responsibility.

12 Q. You said earlier that Margaret Blosser
13 had worked directly under Elliott Millenson.

14 A. Correct.

15 Q. After she stopped working for Mr.
16 Millenson or started working for you, who served as
17 Mr. Millenson's administrative assistant?

18 A. I think we went through three people.

19 We hired someone, I specifically remember
20 her name was Jeanette Pine, P-I-N-E, who Mr.
21 Millenson was very dissatisfied with in an
22 immediate fashion, who we moved away from him and

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1 we ended up placing in with Pharmaceutical as a
2 secretary. To the best of my knowledge, she is
3 still there doing well.

4 The second person was a temp from like a
5 Kelly Services who was just interim.

6 I had mentioned I hired a college
7 intern. At that point in time we had three college
8 interns on staff just doing a variety of
9 functions. One of the college interns, it's
10 Allison, and I do not remember her last name,
11 became his administrative support person during the
12 second quarter, and I believe stayed with him until
13 I left. Then she left also. She went back to
14 school.

15 I can't remember Allison's last name.

16 Q. The other five contributions listed on
17 Exhibit 6, you have already referred to them, the
18 five \$1,000 contributions all dated October 25,
19 1994.

20 Do you know how those contributions came
21 about?

22 A. No. I don't know how they came about.

1 Q. Do you know who solicited Mr. Millenson?

2 A. No. I do not.

3 Q. Do you know why Mr. Millenson suddenly
4 made \$5,000 worth of contributions?

5 A. No. I do not.

6 Q. Do you know if Mr. Millenson had contact
7 with any of these campaigns?

8 A. No. I do not.

9 Q. When did you become aware that he had
10 made these five contributions?

11 A. When I signed the expense report at, give
12 or take, 10-25.

13 Q. He didn't mention them to you prior to
14 the time that you received the expense report?

15 A. Not at all.

16 Q. You approved the reimbursements?

17 A. Yes. I did.

18 MR. ALLEN: This will be 13,
19 Elliott Millenson's expense report dated, I think
20 October 24, 1994.

21 (Barr Exhibit No. 13
22 was marked for identification.)

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1 BY MR. ALLEN:

2 Q. In the bottom right-hand corner there is
3 an "okay" and something written under that and a
4 circle around it.

5 Did you write that?

6 A. No. I did not.

7 Q. Do you know who did?

8 A. No. I do not.

9 Q. Did you say earlier that the five
10 contributions listed on Exhibit 13 were not
11 approved by Mr. Parlin?

12 A. In the normal course of events, as I
13 said, he only saw November and December and thought
14 that that was all there were for the quarter
15 because of our clerical problem. He did not see
16 this until, again, after the fact.

17 Q. So, regarding both the Mezvinsky
18 contribution and the five contributions listed on
19 Exhibit 13, did you have any conversations with
20 Mr. Parlin about those contributions during 1994?

21 A. After the fact, yes.

22 Q. When was that?

1 A. I did not talk to him live about them and
2 I have seen the transcript of a voice mail I left
3 for him that I remembered these specifically and it
4 was my error in judgment not to call Mr. Parlin
5 before I approved them.

6 I had made an assumption that after July
7 Mr. Parlin had talked to Mr. Millenson. Mr.
8 Millenson wouldn't have done this himself without
9 already having preapproval from Gary and that was
10 my assumption.

11 So, I did leave the voice mail, which I
12 believe you have that document.

13 THE WITNESS: I think they have that
14 document.

15 MS. UTRECHT: Yes. They do.

16 THE WITNESS: That I researched it and
17 said it was my clerical screw up.

18 Excuse my language.

19 BY MR. ALLEN:

20 Q. After you forwarded Mr. Millenson's
21 expense report, or after it was forwarded to Ortho
22 in the regular course of processing, did anyone at

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1 Ortho say anything to you about it?

2 A. This one I distinctly remember. Since it
3 was again an exception, I did prepare a cover memo
4 with it that I sent along.

5 I can't remember if it was to Andrea. I
6 think it was to Andrea. It might have been whoever
7 the manager was of the area at that time. It was
8 saying it was the same situation that we previously
9 had on Kennedy, Harkin, et cetera.

10 MR. ALLEN: This is Exhibit 14, which is
11 Mr. Barr's October 26, 1994 memorandum to
12 A. Munley.

13 (Barr Exhibit No. 14
14 was marked for identification.)

15 MR. ALLEN:

16 Q. Exhibit 14 is what?

17 A. The note I referenced just a couple of
18 seconds ago.

19 Q. It says: "I am aware this is an
20 exception to normal processing but am authorizing
21 payment as has occurred previously."

22 This authorizing of payment, this is part

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1 of your job as Director of Finance at DAD?

2 A. As I previously had stated, for an
3 interim basis so Mr. Millenson could be reimbursed
4 in immediate fashion, I was responsible to review
5 and authorize payment back to him for expense
6 reports.

7 Q. Did Ms. Munley respond to this
8 memorandum?

9 A. Not that I can remember one way or the
10 other.

11 Q. Did you speak with her in addition to
12 forwarding this memorandum?

13 A. Not that I remember.

14 Q. Back on Exhibit 6, Elliott Millenson's
15 contributions run through October 25, 1994.

16 Do you know why he didn't make any
17 contributions after that?

18 A. I left basically November 1st, give or
19 take. As I said earlier, I went to Ortho BioTech
20 on a special project with McKinsky.

21 Q. Looking at Exhibit 6 as a whole, the list
22 of contributions, were you aware of the

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1 reimbursement of any other contributions besides
2 the ones listed?

3 A. No.

4 Q. The one other contribution on Exhibit 6
5 is Cal Victory '94, Bruce Decker, \$2,000.

6 You had told me earlier that Mr. Decker
7 was a consultant to DAD and worked in the AIDS
8 activist community.

9 A. That is correct.

10 Q. Do you know how this contribution came
11 about?

12 A. This one, since I am looking at the date
13 of reimbursement, I was already gone. I don't
14 remember this one at all.

15 Q. Well, I mean it was made in October.

16 A. Again, guessing.

17 Q. Okay.

18 A. Bruce would organize his expenses for an
19 entire month and submit them to Elliott the
20 beginning of the next month.

21 That was normal practice in terms of we
22 did a reimbursement to Bruce for his expenses

1 monthly unless there is something extraordinary
2 that came along.

3 Q. So, Mr. Decker submitted his expense
4 reports to Mr. Millenson.

5 Did you have any role in approval of
6 those expenses?

7 A. No. I did not.

8 Q. Let's go back to Exhibit 6 for a minute,
9 the list of contributions.

10 Did you have any contact with any of
11 those campaigns?

12 A. No. I did not.

13 Q. Did you attend any fund-raisers?

14 A. No. I did not.

15 Q. When did you become aware that it is
16 illegal to reimburse federal political
17 contributions?

18 A. During the first quarter of 1995.

19 Q. How did you become aware of that?

20 A. I'm not sure if it was Donna or if it was
21 Helen Hsu, who was the person who came into my job
22 after I left, saying that these things are illegal

1 and we are getting all the paperwork together to
2 actually I think give feedback to the FEC.

3 As soon as we realized it was something
4 that shouldn't have been done, we raised our hands
5 and said we are not in compliance with the law.

6 Q. So, did you personally take any actions
7 upon learning that the reimbursements were
8 impermissible?

9 A. I wrote a \$500 check to Ortho
10 Pharmaceutical to reimburse Ortho for the Kennedy
11 contribution I had made in '93.

12 I don't know if "reimburse" is the right
13 word there. I paid back Ortho.

14 MR. ALLEN: Exhibit 15, Audio Tape Of
15 Voice Mail Message From Jim Barr To Gary Parlin.

16 (Barr Exhibit No. 15
17 was marked for identification.)

18 BY MR. ALLEN:

19 Q. When did this call take place
20 approximately?

21 A. In the first quarter of 1995.

22 Q. What prompted you to make this phone

1 call?

2 A. As I had said earlier, I'm not sure again
3 if it was Donna or Helen Hsu that the question of
4 the October expense reports had come up, that Gary
5 had never seen them, and he asked me a question and
6 I got back to him.

7 Q. He asked you a question in 1995?

8 A. No. He asked me the question, whether it
9 was the day before this or when it happened, during
10 the week before.

11 He said, I didn't see any political
12 contributions in the fourth quarter that I
13 approved. I said, well, I'm sure there were some
14 in October. He said, I'm sure I didn't see it. I
15 said, let me check it out because there was
16 something wrong. As I said, there was something
17 wrong with making copies.

18 Then I got back to him. Obviously, I had
19 been in Puerto Rico, which is now some of my
20 responsibility today, and as you can see, here is
21 what occurred.

22 Q. What did you mean when you said, this is

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1 the first line: "I did a follow-up myself on DAD
2 and political contributions."

3 A. As I had said, he asked me a question
4 about, I didn't see any fourth quarter political
5 contributions at all. I said, well, I am pretty
6 sure there were some in the month of October and I
7 told him I would check it out. Then this is the
8 outcome of that.

9 Q. And the sentence partway down, "which
10 after our conversation now I know was directly
11 against what you had recommended," does that refer
12 back to that July of 1994 conversation that you had
13 with Mr. Parlin?

14 A. That is correct. As I say, I thought
15 Mr. Parlin was going to talk to Mr. Millenson.

16 Mr. Parlin clarified with me that he
17 didn't want to see these anymore at all, that we
18 should be using the PAC, that wasn't my memory of
19 the conversation, but there is no reason for
20 Mr. Parlin to have a different opinion. I mean,
21 that is what he said to me and I did not hear it
22 that way, I guess, and it's my responsibility.

1 Q. In the transcript of this call in Exhibit
2 15 you say, "now I know was directly against what
3 you had recommended".

4 The conversation in July of '94, was that
5 a recommendation or an order?

6 A. I don't recall.

7 What I remember of the conversation was
8 that he was very uncomfortable with the political
9 contribution to Harkin, which occurred during the
10 second quarter.

11 Q. Do you know if he was aware that he had
12 approved Millenson's Kennedy contribution before
13 that?

14 A. I have no idea if he was aware or not.

15 Q. While you were working at DAD Mr. Parlin
16 was a Company Group Chairman and he was Millenson's
17 boss.

18 Is it fair to say that Parlin had
19 authority over DAD?

20 A. Yes. He was the Chairman.

21 Q. Is he still the DAD Chairman today?

22 A. No. He is not.

1 Q. When did he stop being the Chairman of
2 DAD?

3 A. I don't remember exactly when the
4 transition occurred.

5 Q. Was it in 1995?

6 A. I don't remember.

7 I know who the Chairman is today.

8 Q. Who is the chairman today?

9 A. Gerard Viallant.

10 Q. So, is Mr. Parlin still a Company Group
11 Chairman?

12 A. Yes.

13 Q. In the wake of the knowledge that
14 reimbursing political contributions is illegal,
15 were you aware of any Johnson & Johnson
16 announcement to its employees on the subject?

17 A. No.

18 Like a formal announcement from J & J? I
19 don't understand your question.

20 Q. To your knowledge, did J & J take any
21 actions to instruct its employees that the
22 reimbursement of political contributions is

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1 illegal?

2 A. Overall, I am not sure if J & J did
3 anything specific. I can tell you specifically in
4 the division I work in today, which is the
5 corporate controllers division.

6 Q. Okay.

7 A. With my direct boss we had this as a
8 discussion at a staff meeting, just an overall,
9 that this is something that is unacceptable and
10 people should be aware of it. That occurred in our
11 division.

12 Q. So, have you personally seen like a
13 written policy on the subject?

14 A. I have seen one now recently that exists
15 that I had never seen before.

16 Q. Can you tell me what that is?

17 A. I don't know the name of it. It's
18 complying with company policy. It's something that
19 goes out to the divisions and the companies
20 concerning a broad range of policies and
21 procedures.

22 Q. Does that go to all employees?

1 A. No. It goes to senior management, the
2 presidents of companies.

3 I have seen it now for the sake of I
4 asked about it.

5 Q. So, you didn't receive it?

6 A. No. I did not.

7 Q. Yourself?

8 A. Correct.

9 Q. Is the document you are talking about the
10 Johnson & Johnson policy on business conduct?

11 THE WITNESS: Is that the proper title?
12 That is the proper title.

13 MR. ALLEN: Exhibit 16. This is not a
14 new policy. This is a copy from 1994.

15 (Barr Exhibit No. 16
16 was marked for identification.)

17 BY MR. ALLEN:

18 Q. Is this document similar to what you were
19 referring to?

20 A. Yes. It is.

21 Q. I understand that it might not be the
22 same now. This is 1994.

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1 On the final page of it is a certificate
2 of compliance with this Johnson & Johnson policy on
3 business conduct.

4 Have you ever filled out such a
5 certificate?

6 A. Yes. Recently.

7 Q. When did you sign it?

8 A. Well, right now, as I said, our division,
9 my direct boss, made all of her direct reports go
10 through this and do that because it was something
11 that she thought was appropriate.

12 Q. Is that the only time that you have ever
13 signed a certificate like this?

14 A. To the best of my knowledge, as I said,
15 this was the first.

16 In '95 or '96 is when I actually saw this
17 for the first time.

18 Q. So, in your current position are you
19 saying that as a company wide policy you wouldn't
20 be required to sign this, but your immediate boss
21 decided that people at your level should?

22 A. That is correct. Correct.

1 MS. UTRECHT: Well, he is saying he
2 doesn't know what the company wide policy is.

3 THE WITNESS: I am not saying I know what
4 the policy is. I am saying my boss thought it was
5 appropriate for all the people reporting to her to
6 sign it.

7 In terms of what the companies are doing
8 or divisions, I don't know if it goes beyond the
9 copy list. In terms of what the copy list does
10 with it in their own company, I just don't know.

11 MR. ALLEN: I am going to call a break
12 now.

13 Off the record.

14 (Recess.)

15 MR. ALLEN: Back on the record.

16 BY MR. ALLEN:

17 Q. I want to tie down a few last points.

18 One of them is at the beginning you
19 mentioned living somewhere temporarily and on your
20 way to a new home.

21 Can you give me the new address?

22 A. It is 8 Chimney Hill Drive, Lambertville,

1 New Jersey. Same town. I am moving a quarter of a
2 mile.

3 Q. Earlier you mentioned that when you first
4 got to DAD there were only six or seven employees
5 there.

6 A. Correct.

7 Q. Mr. Millenson. Ms. Strongin. Who were
8 the others?

9 A. Margie Blosser.

10 Q. Okay. Blosser.

11 A. Bill Pagels. Dot Hancock, who was
12 Wendy's administrative support person. Leslie
13 Kraut.

14 There are two others. I am drawing a
15 blank.

16 Dr. Corrado, who was there and left, and
17 Dr. Bowers. Dr. Bowers and I started the same day.

18 Q. Can you tell me, what was Dr. Bowers
19 position?

20 A. When he started he was the regulatory
21 person on the research and development side.

22 Q. And there is a Dr. Corrado?

1 A. Dr. Corrado was responsible for clinical
2 research and development.

3 Q. And Leslie Kraut?

4 A. Worked for Dr. Corrado on the clinical
5 side.

6 Q. You spoke a little bit about the type of
7 signature approval authority that you had in terms
8 of approving expenses. You explained that there
9 are two basic categories, one regarding travel, one
10 regarding office equipment and such.

11 Starting with the travel side, up to what
12 amount did you have that?

13 A. I don't remember the exact dollar
14 amounts, as I had said. I don't remember the
15 exact. I want to say I could sign for invoices --
16 not on the travel side -- for invoices of the order
17 of magnitude \$50,000. Elliott also had 50.

18 I am not 100 percent sure on this. This
19 is my best recollection.

20 There is a document that has this,
21 though, somewhere in terms of signature authority.
22 We all have signature authorities. Then jointly

1 Elliott and I could sign up to \$100,000.

2 Q. So, when you mention invoices, is that a
3 reference to --

4 A. Purchase order.

5 Q. -- to the office supplies?

6 A. Office furniture, et cetera.

7 I don't specifically remember the expense
8 reports amounts at all.

9 Q. Was that \$10,000?

10 A. It's something significant. It's less
11 than invoice approval.

12 Q. You mentioned earlier after you got there
13 you hired Ziemba and some others.

14 What was your specific hiring authority?

15 I mean, could you go hire whoever you
16 wanted?

17 A. I don't understand your question.

18 Q. Let me back up then.

19 How did you go about hiring say Ziemba?

20 I mean, it doesn't have to be her.

21 A. It's a little bit of a long drawn out
22 process.

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1 First, you have to get an approval for
2 the position, a head count approval, which needs to
3 go through Mr. Millenson to Mr. Parlin. So, to
4 hire someone you have to ask for what we call a,
5 quote, "head count". That is the word we give it.

6 The normal practice is to have a job
7 description put together and go into what we call
8 the go network, which is the internal J & J posting
9 system. That goes to all our North American
10 companies. It says here is jobs, opportunities
11 inside Johnson & Johnson in North America. From
12 that people bid or if they see something that they
13 think would be good for a friend, a relative,
14 et cetera, they can submit a bid for that person.

15 Q. By the word "bid", do you mean --

16 A. You fill out the --

17 Q. -- apply?

18 A. You apply for a position.

19 You apply for an interview. Excuse me.

20 Q. So, while you were Director of Finance at
21 DAD, did you ever fire anyone?

22 A. Did I fire anyone?

1 Q. Yes.

2 A. No.

3 MR. ALLEN: That is all I have.

4 When the transcript is prepared, you will
5 have an opportunity to read and sign it and if
6 anything looks incorrect, to note that.

7 MS. UTRECHT: We need to discuss how that
8 is going to happen since he is not in Washington,
9 D.C.

10 I am going to submit on the record a
11 formal request for a copy of the transcript.

12 MR. ALLEN: You will not get it at this
13 point. Our procedure is very clear on this.

14 Aside from the read and sign opportunity,
15 we do not provide copies to opposing counsel until
16 when we send out a brief. You can get a copy at
17 that point in order to respond to it. In terms of
18 receiving a copy while the investigation is still
19 ongoing, no.

20 MS. UTRECHT: I understand that. I
21 object to that procedure.

22 MR. ALLEN: Okay. It's on the record.

CERTIFICATE OF DEPONENT

I have read the foregoing 117 pages, which contain the correct transcript of the answers made by me to the questions therein recorded.

JJ Barr

JAMES BARR

Subscribed and sworn to before me this _____ day of _____, 19____.

Notary Public in and for

My commission expires: _____

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CERTIFICATE OF NOTARY PUBLIC

I, **Paula J. Eastes**, the officer before whom the foregoing deposition was taken, do hereby testify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me stenographically and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto nor financially or otherwise interested in the outcome of the action.

Paula J. Eastes

Paula J. Eastes

Notary Public in and for
the District of Columbia

My commission expires: February 14, 2001

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4257

DATE FILMED 11-24-97 CAMERA NO. 2

CAMERAMAN JmW

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20541

Date: 4/16/98

Microfilm

Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4297

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CLOSED

July 26, 1996

JUL 31 RECD

BY HAND DELIVERY

Mark Allen, Esq.
999 E Street, N.W.
Room 657
Office of the General Counsel
Federal Election Commission
Washington, D.C. 20463
(202) 219-3400

BULK FILE

RECEIVED
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COUNSEL
JUL 31 2 21 PM '96

Re: MUR 4297
Elliott Millenson

Dear Mr. Allen:

As we discussed last week over the telephone, enclosed please find the documents responsive to FEC's Subpoena to Produce Documents and Order to Submit Written Answers. Please note that I have not included any answers submitted under oath, as the Subpoena to Mr. Millenson only contained requests for documents (and identification of the documents), not any interrogatory questions requiring answers.

As I explained during our telephone conversation, Mr. Millenson has been involved in an arbitration against DAD, a division of Ortho (which is, in turn, a wholly-owned subsidiary of J&J). The arbitrator in the case was John J. Gibbons, former Chief Judge of the U.S. Court of the Appeals for the Third Circuit. Mr. Millenson filed a claim against DAD on the ground that he had been wrongfully terminated. Political contributions that had been reimbursed by DAD became one of the major issues in the arbitration, because Mr. Millenson's position was that the stated reason for his firing -- his having authorized a non-political contribution by DAD to an organization called Progress & Freedom Foundation -- was a pretext for the real motivation behind his discharge: J&J's attempt to cover up the federal election violations by firing Mr. Millenson, who discovered that political contributions are illegal in January 1995 and then immediately began a thorough investigation into DAD's finance records to find all documentation of such political contributions. On July 15, 1996, Judge Gibbons handed down his Arbitration Decision (attached hereto), which stated that Mr.

WILLIAMS & CONNOLLY

Mark Allen, Esq.
July 26, 1996
Page 2

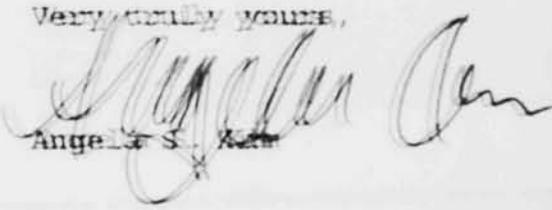
Millenson's discharge was not for cause, and that "[a]t a low point for Ortho's public image, fixing a culprit in the political contribution fiasco" and to distance himself from this fiasco was a driving force behind his discharge. (See highlighted portions of the Arbitration Decision).

As a result of the arbitration process, Mr. Millenson has three groups of documents that are responsive to FEC's document requests: (1) the documents that were in his possession (in the home of Mr. Millenson and Dr. Stoughton (Mr. Millenson's wife)) that relate to political contributions, (2) the documents that were produced by DAD during the course of the arbitration that relate to political contributions, and (3) the materials generated by the arbitration itself, including the transcripts of the witness testimony at the hearing, the briefs filed before and after the hearing, and the exhibits books containing the documents that were admitted into evidence in the arbitration hearing. These three groups of documents are contained in separately-bound notebooks, each of which contains a chart identifying the documents and also explaining the significance of the documents. I believe that reading through the briefs (contained in the third volume) and the Arbitration Decision before going through the remaining documents will provide useful background information that will be helpful in understanding the significance of the remaining documents.

We believe that Mr. Millenson's documents make a compelling case that high-level J&J executives sought to cover up the illegal political contributions, especially the active role that Gary Parlin (the J&J Company Group Chairman and DAD Chairman who approved DAD's reimbursement of most political contributions) played in the political contributions activity of DAD. We understand, however, that the FEC may need some further information regarding the political contributions activities of DAD. We are thus more than willing to meet with you to provide further information and/or to cooperate in any other way.

Please do not hesitate to call with any questions. I look forward to hearing from you.

Very truly yours,


Angela S. Allen

Attachment
Enclosures (three boxes)

ELLIOTT MILLENSON,

Claimant,

vs.

DIRECT ACCESS DIAGNOSTICS
DIVISION, ORTHO PHARMACEUTICAL
CORPORATION,

Respondent.

AMERICAN ARBITRATION
ASSOCIATION

SOMERSET, NEW JERSEY

NO. 18 116 00526 95

ARBITRATION DECISION

JOHN J. GIBBONS
ARBITRATOR

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In 1985 Claimant Elliott J. Millenson conceived of a home test for HIV that might prevent the transmission of the HIV Virus. Millenson and his wife, Wendy Strongin, M.D., began working on the development of such a test. In 1987 they formed University Hospital Laboratories Corporation (UHL). UHL began clinical trials of a testing, counseling and education service involving a numbered test kit by the use of which blood samples could be submitted anonymously to a testing laboratory. The user could call the laboratory and obtain results. If the tests were positive, counseling by telephone would be provided. In December of 1987 UHL submitted to the United States Food and Drug Administration (FDA) an application for pre-market approval (PMA) of its proposed product and services. Three months later the FDA notified UHL that it would not accept for review a PMA for any home blood-collection kits.

The FDA's negative reaction to home testing kits reflected a substantial body of opinion among professionals treating AIDS patients that such tests should be for professional use in a health care environment. UHL continued to press for FDA consideration of its product, and on April 6, 1989 the FDA held a public forum to discuss its policy on blood collection kits labeled for HIV testing. Millenson testified at that forum in favor of home testing, but opponents from the Center for Disease Control, some state health departments, medical associations and AIDS advocacy groups testified in opposition.

On March 12, 1990, UHL filed suit against the FDA seeking declaratory and injunctive relief to force the FDA to accept its PMA. The suit was settled on April 10, 1990 when the FDA accepted the PMA for filing. However, the FDA announced that it was continuing to use the five

criteria for approval of collection kits previously announced. See Fed. Reg. 7280, February 17, 1989; 55 Fed. Reg. 146, July 30, 1990. Two of these criteria provided:

1. Kits are labeled and marketed for professional use only within a health care environment (e.g., hospitals, medical clinics, doctor's offices, sexually transmitted disease clinics, HIV-1 counseling and testing centers, and mental health clinics);

5. All results of testing are reported directly to a professional health care provider for reporting and interpretation of the result to the person requesting the test, as well as for counseling of the individual.

The effect of these two criteria was to require a professional intermediary, and thus to make it impossible to market UHL's proposed product and services.

Millenson and Strongin appreciated that the FDA was responding to advocacy by a combination of interest groups having both technical and economic reasons for opposing HIV testing without a professional intermediary, and that the FDA's position could only be changed by a countervailing advocacy campaign. They also appreciated, however, that UHL lacked the financial resources to sustain such a campaign. On June 25, 1992 they made a presentation to the management of Johnson & Johnson (J&J) suggesting that Company's participation in the approval process and eventual marketing of the product and services. See Claimant's Exhibit 5.

After a detailed review by the J&J Legal Department of UHL's regulatory history with the FDA (See Claimant's Exhibits 6, 7), the parties reached an agreement, memorialized in two contracts dated February 10, 1993. One of them, Claimant's Exhibit 10, is an Asset Purchase Agreement by which Ortho Pharmaceutical Corporation (Ortho), a J&J subsidiary, acquired all the assets of UHL, including pending regulatory filings, in exchange for J&J's common stock.

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Half of that stock was to be delivered within ten days, and the delivery of the other half was contingent upon future regulatory approvals that would permit marketing of the Kit described in UHL's PMA. The other contract, Claimant's Exhibit 9, is an Employment Agreement between Elliott Millenson and Direct Access Diagnostics Division (DAD) of Ortho. The Employment Agreement refers to DAD as "the Company" and to Millenson as the "Employee." Its term is for thirty-six months, becoming thereafter at will. Exhibit 9, Section 3.

The Employment Agreement provides in Section 2(a) that:

Company will employ the Employee in an executive capacity as, and the Employee will be responsible for performing the duties of President and Chief Executive Officer and a member of the management board of the Company, reporting to the Chairman of the Company, with primary responsibility for profit and loss performance of the Company, development and implementation of the Company's business plan, including without limitation product management and product development, identifying, planning for and maintaining appropriate regulatory approvals for the Royalty Bearing Products [a defined term] planning and implementation of appropriate educational and public relations activities, but subject to the direction and sole and absolute discretion of the Chairman with respect to marketing matters and regulatory filings and including such further responsibilities and duties as may from time to time be assigned to the Employee by the Chairman of the Company or his authorized designee.

Millenson's compensation is specified in Section 4 of Exhibit 9. It consists (a) of a "signing" bonus of \$50,000, a salary of \$200,000 a year, and participation in all regular Company benefits and insurance programs; (b) of an incentive compensation arrangement that includes:

- (1) A U. S. Milestone Payment dependent on FDA approval of a PMA;
- (2) A Foreign Milestone Payment dependent on premarket approval by the health authorities in a foreign country;
- (3) A royalty on kits sold commercially for a period of 7 years after the first commercial sale;

- (4) a royalty for improved kits sold within 7 years after the first commercial sale of such kits.

The Employment Agreement cross references to the Asset Purchase Agreement.

Exhibit 9. Section 1. The two are, moreover significantly interdependent, in that the amount of compensation payable under both is contingent upon future regulatory actions that are in the control of DAD. Indeed, the Asset Purchase Agreement provides in Section 6.01(b):

Decisions on the submission or resubmission of a PMA or the submission of a PMA or the submission of a PMA Equivalent shall be in the sole discretion of the Purchaser or its Affiliates or Licensees. The Seller acknowledges that this may have the result of decreasing or eliminating consideration that might otherwise have been payable under paragraph (a) above.

Thus, the Employment Agreement, placing him in charge of DAD's operations, was the only real security that Millenson had that the contingent part of the purchase price (50%) would in fact be paid. Moreover, the Employment Agreement provided in Section 2(h):

Employee understands and accepts that: (i) Ortho will have substantial control and discretion over matters that are likely to have a material effect upon the amounts of incentive compensation, if any, that may be earned by Employee under Section 4(b) hereof; and (ii) subject to the Company's obligations to Act in good faith in accordance with the terms of this Agreement, such control by Ortho could result in Employee's earning no such incentive compensation.

Thus, as is the case of the contingent payment in the Asset Purchase Agreement, contingent payments under the Employment Agreement were also dependent upon the future actions of DAD.

This double contingency serves to put in context the unusual provisions in the Employment Agreement relating to termination. Section 9(b) thereof provides that "the Company may terminate this Agreement without cause prior to the approval by the FDA of the

Company's PMA for the Kit. Upon such termination, Employee's sole remedy shall be as set forth in Section 9(c) below. Section 9(c) provides:

If Employee shall be terminated without cause pursuant to Section 9(b) above, Employee may require that the Company transfer to Employee and Dr. Wendy Strongin all of the Designated Assets then within the Company's possession or control on an "as is, where is" basis and without representation or warranty of any kind or nature. Upon such a transfer, the employment of Employee hereunder shall cease, and the Employee shall be released from Employee's obligations under Section 2(e), [disclosure of Confidential Information] or [Non-Competition] and 8 [Confidential Materials] solely as they relate to such Designated Assets. Further, the Company shall be required to refrain from using or disclosing any Confidential Information to the extent related to the Kit or any Improvement for a period of two years after such transfer.

Termination without cause, which triggers the recapture provision in Section 9(c), is not defined, except by negative inference from the provision defining Termination for Cause in Section 1 of the Employment Agreement as follows:

Termination for Cause (or words of like import) shall mean termination of Employee based substantially on (i) breach by Employee of any term or provision of this Agreement in a manner that causes substantial harm or that the Company reasonably believes is likely to cause substantial harm to the Company or an affiliate; or (ii) failure by the Employee to follow the express directions of the Chairman of the Company, or of the person or persons to whom such Chairman may from time to time report in a way that cause substantial harm to the Company or an Affiliate, or that the Company reasonably believes likely to cause substantial harm to the Company or an affiliate, provided, that such direction are not unlawful or contrary to or in breach of the terms of this Agreement; or (iii) Commission by the Employee of a serious crime or an act of moral turpitude in the course of fulfillment of Employee's duties to the Company, or (iv) commission by Employee of a serious crime or an act of moral turpitude not in the course of fulfillment of Employee's duties for the Company but which causes substantial harm or which the Company reasonably believes is likely to cause substantial harm to the Company or an affiliate; or which has a substantial adverse effect on the ability of

the Employee to fulfill Employee's duties for the Company or an affiliate; or (v) commission or omission of an act expressly identified in the Company's written policies or procedures as subjecting an employee to dismissal.

(emphasis supplied).

The Chairman of the Company who signed the Employment Agreement on behalf of DAD was Jack Bowman who had participated in the negotiations leading to the acquisition of UHL's assets. See, e.g., Claimant's Exhibit 7. Bowman continued in that position until July 27, 1993, when he left Ortho and was replaced by Gary Parlin.

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From February 10, 1993 until February 2, 1995 Millenson worked as President and Chief Executive Officer of DAB. On February 1, 1995, Millenson and Strongin were summoned to a meeting on February 2, 1995 at J&J's Corporate Headquarters in the office of Peter J. Tattle, a Company Group Chairman to whom Gary Parlin reported. Present were Tattle, and Donna Malin and Russell Deyo of the J&J Legal Department. Parlin was not present. Millenson was handed a letter, Claimant's Exhibit 121, terminating his employment. The letter had been prepared in advance by Malin as a result of a meeting several days earlier. Millenson was given no opportunity to respond to the charges in Exhibit 121. He was directed to surrender his security badge and not return to the DAD premises.

DAD maintains that this termination was for cause within the meaning of the Employment Agreement. Millenson maintains it was not. The letter, signed by Tattle, reads:

February 2, 1995

Mr. Elliott J. Millenson
523 Gold Links Drive
Bridgewater, New Jersey 08807

Dear Elliott:

This is to advise you that your Employment Agreement with the Direct Access Diagnostics Division of Ortho Pharmaceutical Corporation dated February 10th, 1993, is hereby terminated for cause as a result of your failure to follow express directions regarding contributions. This termination is effective immediately and you are no longer authorized to act in any capacity on behalf of the Company.

You are aware of the facts surrounding this situation and I will not belabor them here. On November 18th, 1994, Gary Parlin advised you in writing that you had no authority to make any political contributions without his express consent and that any contributions over \$1,000 also required his pre-approval. Despite this clear directive, in December '94 you made on behalf of DAD contributions of at least \$95,000. When you were questioned about your failure to follow these directions, your explanation was that you had not read the second line of the November 18th, 1994 memo.

Although our investigation of these contributions is not complete and the ultimate consequences of your actions cannot yet be determined, the Company has already suffered substantial harm through adverse publicity and otherwise as a result of these events. In our view, we have no alternative but to end your employment with us.

It is unfortunate that despite our common goals of building a business that will positively affect the lives of a substantial number of people, our relationship has not been as smooth and amicable as we had all hoped. Obviously, there is no need at this point to belabor the various issues and disagreements that have consumed months of discussion. I nonetheless hope that we can work through a smooth transition of this unfortunate situation. Accordingly, we are willing to consider an arrangement whereby you could still receive remuneration along the lines of the incentive compensation set forth in your Employment Agreement. If you are interested in pursuing such an arrangement, please have your attorney contact Donna Malin of our Law Department.

Very truly yours,

/s/ Peter T. Tattle

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To put this letter in context it is necessary to make note of what Millenson was doing between February 1, 1993 and February 2, 1995 in pursuing FDA approval of home HIV testing. His efforts were directed in substantial part toward creating an advocacy network that would persuade the FDA to change its position in opposition to home testing for HIV. That effort included enlisting support from members of Congress, from AIDS activist groups, and from influential members of the medical profession. The support of members of Congress and of other groups was encouraged by contributions. Many of these were made by Millenson, personally, and for these he submitted to Ortho expense vouchers. Other contributions were made by Ortho checks for which Millenson had to submit check requisitions and obtain a second signature.

Although political contributions by a corporation such as Ortho are illegal, Millenson was unaware of that law, and so, also, was the DAD Chairman, Gary Parlin. Parlin regularly approved reimbursement of Millenson by Ortho for illegal political contributions. Neither Millenson nor Parlin became aware of the illegality of corporate political contributions until sometime in early January, 1995. It is quite clear that Millenson and Parlin were equally ignorant of the law on corporate political contributions and equally at fault for their having been made. Eventually these illegal political contributions had to be disclosed to the Federal Election Commission.

Besides political contributions, DAD also made contributions to qualified not for profit organizations that might be influential with the FDA or with state legislatures or regulatory agencies. Such contributions were an approved part of the DAD strategy to obtain FDA approval, and provision for them was included in DAD's budget.

J & J maintained a legislative affairs office in Washington, D.C. that dealt with members of Congress on its behalf. Millenson, however, retained Steven H. Hofman, a public affairs consultant, to advise DAD with respect to its effort to change the FDA position on home testing. Although some of the testimony in this arbitration suggests that Mr. Hofman's efforts were the cause of resentment on the part of some people in the J&J legislative affairs operation, it is not contended by DAD that his retention by Millenson was unauthorized. Indeed, following Millenson's termination, DAD continued paying Mr. Hofman for services.

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In August 25, 1994, Hofman and Millenson met with Congressman Newt Gingrich in Marietta, Georgia, and enlisted his support for DAD's effort to change the FDA position on home testing. One of the persons present in Marietta, though not a participant in the conversation about home testing, was Jeffrey A. Eisenach, a former Gingrich staff member, who was then President of Progress & Freedom Foundation (PFF). That organization was, from its formation a few years earlier, closely associated with Mr. Gingrich. In 1993, PFF proposed to companies in the pharmaceutical industry a project to speed up the approval by the FDA of new health care technologies. On December 31, 1993, Peter D. Bewley, counsel for J&J, wrote to Mr. Eisenach enclosing a \$50,000 J&J check "to help sponsor the Foundation's project to redefine the FDA." Claimant's Exhibit 24. Perhaps not surprisingly, on August 24, Mr. Gingrich was quite attentive to the complaints of a J&J subsidiary about the FDA's delay in approving its new product and service. Mr. Gingrich, on September 24, 1994, wrote to Leon Panella, White House Chief of Staff, outlining the case for home testing, requesting an update on the status of FDA approval, and expressing concerns over the opposition by the Center for Disease Control for such testing. Claimant's Exhibit 54.

On September 6, 1994, Mr. Eisenach circulated to supporters and friends of PFF a request for "\$5,000 fully deductible annual membership." On October 12, 1994, Millenson forwarded to PFF an Ortho check for \$5,000.00.

Meanwhile Parlin, who had responsibility for the approval of Millenson's expense reimbursement requisitions, had installed James Barr at DAD in a financial capacity. Barr alone, or Barr and Parlin both, approved a number of reimbursements for political contributions to members of Congress. It is clear, therefore, that Parlin approved and participated in DAD's tactic of enlisting legislative support in order to influence FDA policy.

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Barr was a protégé of Parlin, and tension developed between him and Millenson. When Millenson recommended against a year end bonus for Barr for the year 1993, Parlin overruled that recommendation. Parlin also complained about Millenson's management style and insisted upon a "Credo survey" of DAD employees. The results of "Credo surveys" were in the regular course of J&J business reported on a comparative basis; that is, results in the J&J Division surveyed in comparison which overall results on the same survey in all J&J divisions. Parlin, however, caused a special analysis to be made of DAD results that focused on negative evaluation numbers rather than on a comparisons to the J&J results overall. This permitted the survey results to be portrayed in a manner far less favorable to the DAD management than if the regular practice had been followed. Although witnesses on behalf of DAD attempted to explain their treatment of the Credo survey results as consistent with regular management practices at J&J, I found their testimony to this effect to be unpersuasive. It seems clear that, perhaps with good reason, Parlin was hostile toward Millenson, and that the survey results were seized upon to justify that hostility. None of the reasons suggested by J&J witnesses as justification for such

hostility, however, amounted to just cause for termination within the meaning of the Employment Agreement.

Among the sources of irritation in the relationship between Millenson and Parlin was tardy reporting of Millenson's expense reimbursement requisitions. In November, 1994, Parlin received Millenson's expense reports for the second and third quarter of that year. On November 18, 1994, he sent Millenson a memorandum, Claimant's Exhibit 74, which provides:

November 18, 1994

SUBJECT: EXPENSE REPORTS - 2ND AND 3RD QUARTERS 1994

TO: Elliott Millenson

I am returning, signed, your expense reports for the 2nd and 3rd quarters of 1994. Please note the following:

1. In the future do not make any political contributions without my express okay. Secondly, any contributions of over \$1,000 should also be pre-approved.
2. I would appreciate an oral explanation on why it was necessary to pay for Donald Francis' airfare in June. My understanding was that he was going to Germany to testify on behalf of another party.
3. Until you have on board, a Finance Director, please have your expense reports, as well as Wendy's sent over to me for signature after Cindy signs off. However, there is no need to hold up reimbursement. As soon as a Finance Director is operational we can revert back to the "quarterly review:" system.

/s/ Gary V. Parlin

It is the first numbered paragraph of this Exhibit that is paraphrased in paragraph 2 of Claimant's Exhibit 121. In the second and third paragraphs of Exhibit 121, J&J takes the

position that the first numbered paragraph of Exhibit 74 is an express direction, the disregard of which is a reason justifying termination for cause.

Before turning to that question, attention must be directed to another paragraph of Exhibit 121. In the fourth paragraph, the first sentence mentions that "[i]t is unfortunate that despite our common goals of building a business . . . our relationship has not been as smooth and amicable as we had all hoped. Obviously, there is no need at this point to belabor the various issues and disagreements that have consumed months of discussion." This, in context, can only be understood to be a reference to Parlin's complaints about Millenson, since during 1994 Millenson reported to him. Moreover, the testimony in this arbitration referred to no other issues and disagreements. The problem for J&J, however, is that none of these issues and disagreements were grounds for termination for cause as defined in the Employment Agreement. Nevertheless, the inference is hardly escapable that Parlin's expression of dissatisfaction with Millenson's managerial style figured in the decision leading to the preparation of Exhibit 121.

In that same paragraph appears the representation that "we are willing to consider an arrangement whereby you could still receive remuneration along the line of the incentive compensation set forth in your employment agreement." No testimony addressed J&J's reasons for including this statement. A reason that suggests itself is that the Legal Department included it in an effort to provide evidence negating an inference that Millenson's termination was motivated by a desire to deprive him of contingent compensation. If, however, J&J's position with respect to the significance of Exhibit 74 was as strong as J&J now claims, the inclusion of this suggestion is puzzling. Under the Employment Agreement, if he was terminated for cause he would not be entitled to contingent compensation.

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Also before turning to the question whether disregard of the direction in paragraph 1 of Exhibit 74 justified Millenson's termination for cause, some additional surrounding circumstances are relevant. **The first of those circumstances is the matter of the unfortunate timing of the revelation to J&J management and Legal Department that the DAD Division of Ortho had been for some time making illegal political contributions. Millenson learned of the illegality from Hofman and disclosed it to Parlin and other in January, 1995. Parlin and Tattle were required by J&J policy to file with the Legal Department on January 13, 1995 a statement of compliance with J&J policies, see Claimant's Exhibit 71, that would have made these political contributions known. The Legal Department obviously would, and did, insist upon disclosure to the Federal Election Commission. And to make matters worse, on January 11, 1995, the Ortho Division of J&J was about to plead guilty in the United States District Court for the District of New Jersey to a charge of destruction of documents relating to an investigation into its promotion of its product, Retin-A. The destruction had occurred while Parlin was the top official in Ortho.**

One can imagine the consternation with which officials at Ortho greeted the publication on January 5, 1995 of an article in *Roll Call*, a Washington, D.C. publication, Claimant's Exhibit 86, of a story with a headline "Gingrich Aided Pharmaceutical Firm that Later Contributed to Foundation." The article states:

The Progress and Freedom Foundation last week released materials showing that Direct Access Diagnostics is among its financial supporters.

In addition, the President of Direct Access Diagnostics, Elliott Millenson, is a foundation supporter. The parent company of Direct Access, Johnson & Johnson, has also made a gift to the foundation.

Sources said the contributions were made after the letter was written, but the exact date they were made could not be determined yesterday because the foundation did not disclose that information.

The Progress & Freedom Foundation's President, Jeffrey Eisenach, could not be reached.

Other newspapers repeated the contents of the *Roll Call* article, and most were no more specific as to the dates of the contributions referred to.

The text of the article states that the author was relying on a "source" for the information that "all the contributions were made after the letter was written." Both J&J and PFF knew that this information was inaccurate, since the \$50,000 contribution by J&J was made on December 31, 1993, over nine months before the letter from Gingrich to Panetta was written. Moreover, the statement in the article that Millenson also made a gift to PFF is inaccurate; Millenson, personally, never made such a contribution. Since the article states that Jeffrey Eisenach could not be reached, a reasonable inference is that the *Roll Call* reporter relied on information previously published by PFF. That inference is reinforced by the reference in the article to a release of materials by PFF "showing Direct Access Diagnostics is among its financial supporters." This reference appears to be to Claimant's Exhibit 83, a PFF memorandum dated December 20, 1994 for its "Supporters and Friends." The memorandum has attached a list of 1993/1994 supporters, including DAD, J&J and Millenson. It is accurate as to the DAD and J&J contributions, but inaccurate as to Millenson. The memorandum probably came to *Roll Call's* attention during the week between Christmas and New Year's Day.

Two contributions, that by J&J on December 31, 1993, and that from DAD by an Ortho check on October 12, 1994, are obviously included in the *Roll Call* reference to "contributions."

Millenson had nothing to do with the first and the second undated Parlin's November 18, 1994 memorandum.

There is, however, a third contribution from DAD. On December 15, 1994, Millenson requisitioned Ortho checks for a number of non-political contributions totaling \$95,000, including one for \$30,000 to PFF. This contribution was acknowledged by a PFF letter dated December 18, 1994 referencing the recent contributor "from Ortho Pharmaceutical Corporation." Claimant's Exhibit 201. The PFF memorandum to "Supporters and Friends" is dated two days later and does not mention Ortho as a contributor. When Millenson received this letter on December 22 at 5:51 p.m., he faxed to Hoffman a message asking Hoffman to follow-up and make sure PFF understood that the contribution was from DAD, not Ortho. Claimant's Exhibit 202.

If, as J&J contends, the *Roll Call* article caused DAD substantial harm, it is abundantly clear that in a "but for" sense that harm is traceable to the December 31, 1993 and October 12, 1994 contributions. It is not at all clear--indeed, it is highly doubtful--that in a "but for" sense the December 15, 1994 contribution even contributed to the article, and thus the alleged substantial harm. The *Roll Call* reporter was ignorant of the dates of any of the contributions and, like Exhibit 201, never mentioned Ortho as a contributor.

Significantly, when the decision to terminate Millenson's employment was made by J&J, no one in J&J, so far as the testimony discloses, made any investigation to determine whether the *Roll Call* article actually made reference to a contribution made after the date of Parlin's November 18, 1994 memorandum. On January 11, 1995, six days after the *Roll Call* article and one day after the announcement of the Ortho guilty plea, Parlin sent Millenson two memorandums referring to his November 18, 1994 memorandum. One, Claimant's Exhibit 92,

ENO1297, inquires why he has not received expense reports from Millenson and Strongin. The other, Claimant's Exhibit 92, JJ1372, in referring to the November 18, 1994 memorandum, changes its language slightly, stating:

Secondly, I requested that any contributions (non-political) of over \$1000 also be pre-approved. In order for me to get a clear picture of past contribution activity by DAD please provide me the following:

1. A list of all political contributions by DAD or by any employee of DAD if that contribution was expensed and subsequently reimbursed by the company. Include the date of the contribution.
2. A list of all other DAD contributions (non-political) over \$75 since the inception of DAD. Include the recipient organization and the date of the contribution.

I would like this information in my office by none on Friday, January 13, 1995.

This second memorandum of January 11, 1995 suggests that Parlin's mind was on matters other than Millenson's compliance with his November 18, 1994 directive. First, it requests a list of all political contributions and of all non-political contributions by DAD at any time. Second, the *Roll Call* article had appeared, but was obviously inaccurate. Thus, it probably seemed important to determine when DAD had made contributions to PFF. Millenson complied with the directive to furnish a list of all contributions from DAD's inception. Claimant's Exhibit 96. The list included the December, 1994 contribution of \$30,000 to PFF. There were no post-November 18, 1994 political contributions.

In addition to the PFF contribution the list included contributions to Coalition for America, \$35,000; Commetarian Network, \$15,000; and University of Michigan Law School, \$15,000. Although Claimant's Exhibit 121 refers to \$95,000 in contributions that allegedly

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violate the November 18, 1994 directive, DAD does not in this arbitration contend that these three additional contributions caused, or could reasonably be believed to have caused, substantial harm to DAD or an affiliate. Indeed, Parlin did not testify that he would have disapproved them had they been presented to him for his prior approval, and the DAD budget provided for expenditures to organizations helpful to its agenda for influencing the FDA. Nevertheless, these three contributions are lumped in Exhibit 121 with the \$30,000 contribution to PFF as if all four were equally a ground for termination. Indeed, in paragraph 4 of that letter J&J asserts that "the Company has already suffered substantial harm through adverse publicity and otherwise as a result of these events." These "events" appear to be the four contributions, since they are the only events previously referred to. No evidence has been presented that three of the four contributions had in January, 1995 produced any publicity, never mind adverse publicity. As noted above, the fourth contribution to PFF may not even have been the "but for" cause of the *Roll Call* article, although the December, 1993 and October, 1994 contributions clearly were.

Further, complicating an understanding of the decision to terminate Millenson is the Credo Survey, previously referred to, and its aftermath. Millenson complained to Roger Fein, Vice President of Administration and a member of the J&J Executive Committee, of the difficulties he was having in working with Parlin. A meeting was held on December 13, 1994, attended by Fein, Michael Carey, who was in charge of the Credo Survey that Parlin had ordered, Strongin and Millenson. At this meeting, Strongin and Millenson expressed their frustration with Parlin's management of DAD, their view that the sale to J&J may have been a mistake, and their interest in exploring an exit plan. Tr. 1403-04. This meeting establishes that at the highest levels of management, J&J was aware of the ongoing tension between Parlin and Millenson. Others in J&J management were not ignorant of this ongoing dispute, for when Millenson sent a

memo to Mr. Jeff Leebow on January 20, 1995 expressing concern about leaks to the press, Tattle, Parlin's supervisor, forwarded the memo to Parlin with a handwritten note, "I am convinced he [Millenson] is building his law suit case." Claimant's Exhibit 102, JJ7779. Tr. 1676. If, as DAD witnesses insist, discussion of Millenson's termination for disregarding the November 18, 1994 memorandum on contributions did not occur until January 24, 1995, this must be a reference to intracompany discussions of Parlin's dissatisfaction over other issues between him and Millenson.

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Having caused the preparation of the list of contributions requested by Parlin, Millenson shared it with Hofman, who on January 19, 1995 informed Millenson that the political contributions were illegal. On Friday, January 20, 1995 Millenson sent Parlin an E-mail informing him that "there may be a legal problem with corporate reimbursement of political contributions." Claimant's Exhibit 102, JJ5792, 5793. This, apparently, was the first information that Parlin had of his participation in the approval of illegal contributions, although if that is the case one may wonder why on January 11 he wanted a list of all political contributions made by DAD. The E-mail informed Parlin that Millenson intended to inform Kathy Schroeder of the J&J Legal Department, and he did so on Monday, January 23. Claimant's Exhibit 102, EM00379. On that date Tattle was informed by Parlin of the illegal political contributions. Tr. 1727-30; 1755-57. Parlin did not tell Tattle that it was Millenson who called to his attention the illegality of those contributions. Tr. 1708.

On Tuesday, January 24, 1995 Parlin, Tattle and others, including persons from the Legal Department, met to discuss the political contributions and Elliott Millenson's future. Tr. 1740; 1750-53. Michael Carey, who was in charge of the Cresto survey and its aftermath, was included

in the meeting, although he had no responsibility respecting political contributions or financial controls.

Parlin, having received from Tattle the handwritten note on Claimant's Exhibit 102, JJ7779, referring to Millenson building a case, received from Millenson on January 26, 1995 a more-detailed memorandum on the subject of press leaks from inside J&J. Claimant's Exhibit 108. Parlin responded on January 27, 1995, disparaging Millenson's concerns. Claimant's Exhibit 112. Tattle's handwritten note to Parlin on a memorandum dated January 20, 1995, together with Parlin's January 27, 1995 reaction to Millenson's request for an investigation into leaks, suggest that by January 27 a decision had already been made to terminate Millenson, and that Parlin and Tattle were not interested in an investigation that might deflect responsibility from Millenson for the press reports that copied or built upon the original *Roll Call* article.

Tattle testified that he had never read Millenson's Employment Agreement in its entirety, although he had seen sections of it. Tr. 1623. Some time between January 24 and February 1, 1995 he instructed Donna Malin to prepare an appropriate letter terminating Millenson. Obviously Ms. Malin read the contract, since the second paragraph in Claimant's Exhibit 121 is couched in language that tracks part of the termination for cause definition in Claimant's Exhibit 9. It is equally clear, however, that the termination decision was made by Tattle prior to the instruction to the Legal Department, and that in making it Tattle did not investigate whether DAD had grounds for termination within the meaning of the Employment Agreement. First, he relied, and apparently instructed the Legal Department to rely, on all four contributions that occurred after November 18, 1994, even though three of them obviously could not reasonably be construed to have caused any publicity at all, let alone substantial harm. Second, he was unquestionably disturbed about the necessity for disclosing illegal political contributions and

interested in doing something to restore Ortho's well-tarnished reputation by firing someone. Third, he was aware that Parlin and Millenson were not working well together, and he chose to accept Parlin's version of events at DAD without talking to either Millenson or Strongin. Parlin's "hatchetman," Michael Carey, was included in the January 24 meeting. Fourth, he and Parlin combined to discourage any investigation of internal J&J press leaks that might have pointed in a direction other than Millenson for responsibility for the PFF publicity. Fifth, Tattle was ignorant at the time of the termination decision of the fact that Millenson's activities had resulted in favorable publicity and significant Congressional support for home testing. Tr. 1732-33.

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In the initial stages of this and a related arbitration proceeding counsel for DAD took the position that the termination was for making political contributions in violation of the November 18, 1994 directive. Letter dated November 10, 1995 to AAA; Claimant's Exhibit 163, p. 5. Counsel now concedes that this was a mistaken position. That concession, however, is not evidence of Tattle's state of mind in late January, 1995. Tattle testified that at the time he was upset about the political contributions, but they were not the reason for the termination. Tr. 1616. I do not find the latter assertion credible. I am convinced that Tattle and Parlin believe on January 24, 1995 that they could tag Millenson with making political contributions in violation of the November 18, 1994 directive, and acted on that belief. That belief probably was not the sole reason for the termination decision, but it was a reason that influenced the decision. At a low point for Ortho's public image, firing a culprit in the political contribution fiasco was a desirable course of conduct, and it was a motivating factor in the decision. Unfortunately for DAD, Tattle acted first and investigated later. There were no political contributions after November 18, 1994.

Another significant motivation for the terminating, however, was Parlins' ongoing hostility to Millenson. That hostility, unless based on race, religion, sex or handicap, would be a sufficient reason for terminating for an at-will employee. But, as noted above, Millenson was not an at-will employee. He was a party to a very specific contract. Parlin was in touch with the J&J Legal Department with respect to Millenson's employment status for months prior to the January 5, 1995 *Roll Call* article. See Claimant's Exhibits 181, 186, 188, Tr. 1022-29. He, or Tattle, arranged for Michael Carey's presence at the January 24 meeting so that the slanted Credo Survey results could be aired. Management style, however, is not a ground for termination specified in the Employment Agreement and is therefore not relied on in the termination letter drafted by Ms. Walim. In order to justify termination J&J must under the Agreement establish:

1. That Millenson disregarded an express direction; and
2. That the disregard of that direction caused substantial harm to DAD or an affiliate or that it reasonably believed such harm had or would occur.

Looked at through the lens of the Agreement, the J&J proofs are woefully deficient.

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There is, first, the ambiguity in the November 18, 1994 memorandum. It is captioned "SUBJECT: EXPENSE REPORTS - 2ND and 3RD QUARTERS 1994". Two of three paragraphs refer explicitly to reimbursement of expenses. The first paragraph is not quite so explicit, but the first sentence of that paragraph plainly refers to past political contributions for which reimbursement was sought. In the entire contract, the sentence on which DAD relies ("Secondly, any contributions of over \$1000 should also be pre-approved") is at best ambiguous. The memorandum did not deal with check requisitions, or with contributions as such, but with expense reimbursement practices. It is as likely as not that Parlin's November intention was confined to that subject. It was not until January 11, 1995 that Parlin decided to put the gloss on the communication that according to him turned this ambiguous direction into a clear command. Claimant's Exhibit 92. By then, the *Roll Call* article was a subject of discussion; and in the climate at Ortho of massive adverse publicity, it was logical for Parlin to take such self-serving steps. I conclude that he did so, by changing the caption of the January memo from "Expense Reports" to "Contributions," and by including the parenthetical (non-political) when referring to contributions.

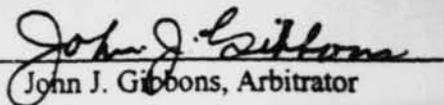
There is, second, the issue of proximate cause for the publicity about DAD and PHF on which DAD relies. As noted above, there can be no question about causality, in a "but for" sense, of the publicity and the December, 1993 and October, 1994 contributions, but it is not at all clear that the *Roll Call* reporter even knew of the December, 1994 contribution. That is the only one on which DAD can, under the Agreement, hang its hat. I am not in a position to determine, on the evidence, what the *Roll Call* reporter knew. But that evidentiary deficiency results from DAD's decision to avoid making an investigation before the termination decision, and the deficiency in the proofs must therefore weight against DAD.

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There is, third, the question of substantiality of the harm. There is abundant platitudinous testimony about how much J&J values its reputation, but there is the inescapable fact that J&J, fully aware of the relationship between PFF and Congressman Gingrich, was perfectly willing to associate itself publicly with PFF's effort to influence the direction of the FDA's regulatory policy. The protestations of severe injury to J&J's, or Ortho's, or DAD's reputations for probity are simply too speculative to be taken seriously. **The big public relations fiasco was the guilty plea to the charge of destruction of documents.** That, coupled with the additional violation of law by illegal political contributions, produced an unreasonable response to a relatively innocuous article. If Parlin was not already predisposed to getting rid of Millenson, the *Roll Call* article and its aftermath would have been treated as a matter of passing interest producing no substantial harm. It was never even the subject of discussion in a J&J Executive Committee Meeting.

I conclude, therefore, that Elliott Millenson's termination on February 2, 1995 was not for just cause within the meaning of that term in the Employment Agreement.

The parties are directed to submit simultaneously, within seven (7) days of the date hereof, submissions as to an appropriate remedy. Those submissions should not exceed ten (10) pages each.


John J. Gibbons, Arbitrator



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Date: 5/4/98

 Microfilm

 Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4297

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OLDAKER, RYAN, PHILLIPS & UTRECHT

ATTORNEYS AT LAW

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SUITE 1100

WASHINGTON, D.C. 20006

(202) 728-1010

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October 9, 1997

Mark Allen, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Allen:

Please find enclosed a check payable to the Federal Election Commission on behalf of Ortho Pharmaceutical Corporation representing the \$25,000 civil penalty assessed in MUR 4297.

If you have any questions on this matter, please do not hesitate to contact me.

Sincerely,



Lyn Utrecht

Enclosure

Oct 10 12:49 PM '97

9804360513



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 10, 1997

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TWO WAY MEMORANDUM

TO: OGC Docket
FROM: Leslie D. Brown
Disbursing Technician
SUBJECT: Account Determination for Funds Received

We recently received a check from **Ortho Pharmaceutical Corp// Johnson & Johnson**, check number **1682607**, dated **October 02, 1997**, for the amount of **\$25,000.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton ^{RS} Accounting Technician Leslie D. Brown Disbursing Technician
FROM: OGC Docket
SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$25,000.00, the MUR/Case number is 4297 and in the name of Ortho Pharmaceutical Corp. Johnson & Johnson. Place this deposit in the account indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: _____

Frank Hampton
Signature

October 14, 1997
Date

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