



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3766

DATE FILMED 6/15/94 CAMERA NO. 2

CAMERAMAN EES

94043523489

U.S. News

2400 N Street, N.W. Washington, DC 20037-1196 • (202) 955-2086

Gail A. Lione, General Counsel

April 14, 1993

MUR 3766

Mr. Lawrence Nobel  
General Counsel  
Federal Elections Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Dear Mr. Nobel:

On behalf of U.S. News & World Report, I am filing a complaint with the Federal Elections Commission regarding activities of the Democratic National Convention Committee (DNCC). The activities in question relate to various checks issued for payment of expenses from December, 1991 to June, 1992, which we believe were not properly disclosed pursuant to your own accounting requirements. The checks in question are the following:

1. Check payable to Ms. Alexis Herman dated December 17, 1991 in the amount of \$7,076.05 for "travel."
2. Check payable to American Express Platinum Card dated April 20, 1992 in the amount of \$4,085.23 for "travel."
3. Void on 4/23/93 of the check dated 4/20/92 to American Express Platinum Card.
4. Check payable to Ms. Alexis Herman dated April 23, 1992 in the amount of \$4,085.23 for no purpose or event stated.
5. Check payable to American Express Platinum Card dated June 22 1992 in the amount of \$5,840.66 for "air."

Checks described in items 1-5 are listed on the attached activity reports.

We requested documentation of these charges through Kiki Moore, Press Secretary at the DNC. Ms. Moore claims that payments to American Express were for hotel rooms for staffers that don't carry credit cards. Since American Express does not issue corporate Platinum Cards, these reimbursements must have been to cover an individual's personal statement. However, it is our understanding that the DNCC was directly billed for hotel

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FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

APR 16 11 20 AM '93

93 APR 16 PM 3:37

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FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK

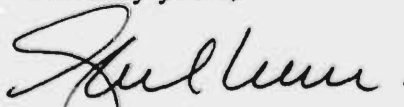
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Mr. Lawrence Nobel  
General Counsel  
Federal Elections Commission  
April 14, 1993  
Page 2

charges during the convention. The FEC disbursement forms show many payments directly to hotels in New York.

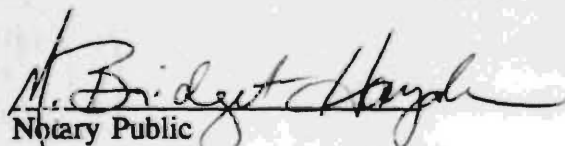
We feel that an investigation is warranted and would appreciate your commencing one as soon as possible. Pursuant to your requirements, this complaint is signed, sworn and notarized below.

Sincerely yours,

  
Gail A. Lione

*District of Columbia ss.*

Signed and Sworn to before me on April 14, 1993.

  
Notary Public

My Commission Expires March 31, 1997

[SEAL]

cc: Mr. Joseph Sandler  
Mr. Gary Cohen

94043523491

Federal Disbursements  
Itemized Activity

PAGE 15 OF  
Line

Democratic National Convention

| Vendor Name/Address                                                   | Purpose/Event           | Date     | Total     |
|-----------------------------------------------------------------------|-------------------------|----------|-----------|
| VOID<br>VOID<br>VOID, DC 20003                                        | CONSULTANTS             | 12/16/91 | 3,000.00  |
| VOID<br>VOID<br>VOID, DC 20003                                        | CONSULTANTS             | 12/16/91 | 3,000.00- |
| BLUE CROSS/BLUE SHIELD<br>550 12th St., S.W.<br>Washington, DC 20024  | Hospitalization/Medical | 12/16/91 | 1,288.70  |
| ALEXIS HERMAN<br>100 7th Street, S.W.<br>Washington, DC 20024         | Travel                  | 12/17/91 | 7,076.05  |
| FEDERAL EXPRESS<br>P.O. Box 1140<br>Dept. A<br>Memphis, TN 38101-1140 | POSTAGE/DELIVERY        | 12/17/91 | 115.25    |
| BLUE CROSS/BLUE SHIELD<br>550 12th St., S.W.<br>Washington, DC 20024  | Hospitalization/Medical | 12/18/91 | 5,819.69  |

Page Totals: 14,299.69

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Democratic National Convention

| Vendor Name/Address                                                     | Purpose/Event | Date    | Total  |
|-------------------------------------------------------------------------|---------------|---------|--------|
| DUPRANE COMMUNICATIONS<br>2203 Barrow Street<br>Silver Spring, MD 20902 | PRINTING      | 4/15/92 | 866.00 |

|                                                     |       |         |       |
|-----------------------------------------------------|-------|---------|-------|
| Cellular One<br>PO Box 64651<br>Baltimore, MD 21264 | Local | 4/20/92 | 31.36 |
|-----------------------------------------------------|-------|---------|-------|

|                                                                  |        |         |        |
|------------------------------------------------------------------|--------|---------|--------|
| Brian Foucart<br>402 E Bellefonte Avenue<br>Alexandria, VA 22301 | Travel | 4/20/92 | 111.50 |
|------------------------------------------------------------------|--------|---------|--------|

|                                                                |          |         |        |
|----------------------------------------------------------------|----------|---------|--------|
| Lajuan Johnson<br>4817 Sixth Place, NE<br>Washington, DC 20017 | Per Diem | 4/20/92 | 105.00 |
|----------------------------------------------------------------|----------|---------|--------|

|                                                              |                 |         |       |
|--------------------------------------------------------------|-----------------|---------|-------|
| Pandy's Flowers<br>1803 18th St., NW<br>Washington, DC 20009 | OFFICE SUPPLIES | 4/20/92 | 47.70 |
|--------------------------------------------------------------|-----------------|---------|-------|

|                                                                          |        |         |          |
|--------------------------------------------------------------------------|--------|---------|----------|
| The Platinum Card<br>American Express<br>Suite 0001<br>Chicago, IL 60679 | Travel | 4/20/92 | 4,005.23 |
|--------------------------------------------------------------------------|--------|---------|----------|

Page Totals: 5,246.79

9403352619

DEMOCRATIC PARTY  
Democratic National Convention

Line 212

| Vendor Name/Address                                            | Purpose/Event | Date    | Total |
|----------------------------------------------------------------|---------------|---------|-------|
| Mary Kennedy<br>1250 Broadway 10th Floor<br>New York, NY 10010 | MEETINGS      | 4/22/92 | 38.40 |

|                                                                         |        |         |        |
|-------------------------------------------------------------------------|--------|---------|--------|
| JACQUELINE L. FALK<br>1828 S. George Mason Drive<br>Arlington, VA 22204 | Travel | 4/22/92 | 286.44 |
|-------------------------------------------------------------------------|--------|---------|--------|

|                                                            |             |         |          |
|------------------------------------------------------------|-------------|---------|----------|
| Atul Jain<br>61-25 98th Street, #9C<br>Rago Park, NY 11374 | CONSULTANTS | 4/22/92 | 1,820.00 |
|------------------------------------------------------------|-------------|---------|----------|

|                                                                 |        |         |          |
|-----------------------------------------------------------------|--------|---------|----------|
| MARIO COOPER<br>3800 Woodley Road, N.W.<br>Washington, DC 20008 | Travel | 4/22/92 | 1,105.66 |
|-----------------------------------------------------------------|--------|---------|----------|

|                                                                     |                         |         |           |
|---------------------------------------------------------------------|-------------------------|---------|-----------|
| RED CROSS/BLUE SHIELD<br>550 12th St., S.W.<br>Washington, DC 20024 | Hospitalization/Medical | 4/22/92 | 11,756.02 |
|---------------------------------------------------------------------|-------------------------|---------|-----------|

|                                                                          |        |         |           |
|--------------------------------------------------------------------------|--------|---------|-----------|
| The Platinum Card<br>American Express<br>Suite 0001<br>Chicago, IL 60679 | Travel | 4/23/92 | 4,005.23- |
|--------------------------------------------------------------------------|--------|---------|-----------|

Page Totals: 10,921.09



**Itemized Activity**  
**Democratic National Convention**

Line 21b

| Vendor Name/Address                                           | Purpose/Event | Date    | Total    |
|---------------------------------------------------------------|---------------|---------|----------|
| .....                                                         | .....         | .....   | .....    |
| ALEXIS HERMAN<br>700 7th Street, S.W.<br>Washington, DC 20024 |               | 4/23/92 | 4,085.23 |

|                                               |                    |         |        |
|-----------------------------------------------|--------------------|---------|--------|
| ADP<br>8701 Mylander Lane<br>Towson, MD 21204 | PAYROLL PROCESSING | 4/24/92 | 236.28 |
|-----------------------------------------------|--------------------|---------|--------|

|                                                                |          |         |        |
|----------------------------------------------------------------|----------|---------|--------|
| Lajuan Johnson<br>4517 Sixth Place, NE<br>Washington, DC 20017 | Per Diem | 4/24/92 | 105.00 |
|----------------------------------------------------------------|----------|---------|--------|

|                                                                       |                  |         |       |
|-----------------------------------------------------------------------|------------------|---------|-------|
| FEDERAL EXPRESS<br>P.O. Box 1140<br>Dept. A<br>Memphis, TN 38101-1140 | POSTAGE/DELIVERY | 4/24/92 | 87.50 |
|-----------------------------------------------------------------------|------------------|---------|-------|

|                                                           |                |         |       |
|-----------------------------------------------------------|----------------|---------|-------|
| Don Jackson<br>45 Mass Avenue, NW<br>Washington, DC 20001 | MOVING/STORAGE | 4/24/92 | 30.00 |
|-----------------------------------------------------------|----------------|---------|-------|

|                                                   |               |         |        |
|---------------------------------------------------|---------------|---------|--------|
| POST<br>P.O. Box 85930<br>Louisville, KY 40285-59 | Long Distance | 4/24/92 | 311.88 |
|---------------------------------------------------|---------------|---------|--------|

Page Totals: 4,855.89

914-033735234

**Itemized Activity**  
**Democratic National Convention**

Line 21b

| Vendor Name/Address                                                      | Purpose/Event           | Date    | Total     |
|--------------------------------------------------------------------------|-------------------------|---------|-----------|
| Southgate Tower<br>371 Seventh Avenue<br>New York, NY 10001-3984         | Hotel                   | 6/19/92 | 3,009.34  |
| BLUE CROSS/BLUE SHIELD<br>850 12th St., S.W.<br>Washington, DC 20024     | Hospitalization/Medical | 6/22/92 | 15,541.60 |
| Promix Inc.<br>111 Cedar Street<br>New Rochelle, NY 10801                | Sound                   | 6/22/92 | 22,000.00 |
| Michelle Brown<br>3194 Westover Drive, SE<br>Washington, DC 20020        | Per Diem                | 6/22/92 | 140.00    |
| Bankcard Services<br>P.O. Box 15019<br>Wilmington, DE 19886-54           | Hotel                   | 6/22/92 | 141.86    |
| The Platinum Card<br>American Express<br>Suite 0001<br>Chicago, IL 60679 | Air                     | 6/22/92 | 5,840.66  |

Page Totals: 46,673.16





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

APRIL 20, 1993

Gail A. Lione, General Counsel  
U.S. News & World Report  
2400 N Street, N.W.  
Washington, DC 200037

RE: MUR 3766

Dear Ms. Lione:

This letter acknowledges receipt on April 16, 1993, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the 1992 Democratic National Convention Committee, Inc. and Robert T. Matsui, as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3766. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lisa E. Klein", is written over the typed name.

Lisa E. Klein  
Assistant General Counsel

Enclosure  
Procedures

94043523497



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

APRIL 20, 1993

Robert T. Matsui, Treasurer  
1992 Democratic National Convention Committee, Inc.  
430 South Capitol Street, S.E.  
Washington, DC 20003

RE: MUR 3766  
1992 Democratic National  
Convention Committee, Inc. and  
Robert T. Matsui, as treasurer

Dear Mr. Matsui:

The Federal Election Commission received a complaint which indicates that the 1992 Democratic National Convention Committee, Inc., ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3766. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

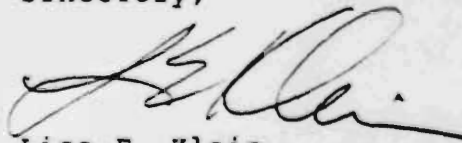
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed 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.

24043523498

Robert T. Matsui, Treasurer  
Page 2

If you have any questions, please contact Xavier K. McDonnell, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

94043523499

OGC 8643

RECEIVED  
FEDERAL ELECTION COMMISSION

93 MAY -5 PM 11:13



Democratic National Committee

May 5, 1993

Lisa E. Klein, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 3766

Dear Ms. Klein:

On behalf of the 1992 Democratic National Convention Committee, Inc., ("Respondent"), I hereby request that the time period in which Respondent must file its response to the complaint in the above-referenced MUR be extended by ten (10) days, to May 17, 1993.

Preparation of a response to the complaint requires that we retrieve and review back-up documentation for expenditures made in connection with the 1992 Convention; contact vendors in some cases; and locate, interview, and possibly obtain affidavits from, knowledgeable individuals who were employed by the Convention Committee but who are no longer employed by the DNC. It would be extremely difficult to complete these steps within the 15 day period allotted for the initial response (which would expire on May 7, 1993).

I have also enclosed a Statement of Designation of Counsel form designating the undersigned as counsel of record in this MUR.

Thank you for your time and attention to this request. If you have any questions or need further information, please contact me at (202) 863-7110.

Sincerely yours,

Joseph E. Sandler  
General Counsel

94043523500

**STATEMENT OF DESIGNATION OF COUNSEL**

93 MAY -5 PM 11:13

MUN: 3766

NAME OF COUNSEL: Joseph E. Sandler

ADDRESS: Democratic National Committee  
430 South Capitol Street, SE  
Washington, DC 20003

TELEPHONE: ( 202 ) 863-7110

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.

May 4, 1993  
Date

  
Signature

RESPONDENT'S NAME: 1992 Democratic National Convention Committee, Inc.  
& Robert T. Matsui, as Treasurer

ADDRESS: 430 South Capitol Street, SE  
Washington, DC 20003

TELEPHONE: HOME:           

BUSINESS: ( 202 ) 863-8000

24043523501





FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

May 6, 1993

Joseph E. Sandler, General Counsel  
Democratic National Committee  
430 South Capitol Street, S.E.  
Washington, D.C. 20003

RE: MUR 3766

Dear Mr. Sandler:

This is in response to your letter dated and received on May 5, 1993, requesting an extension of 10 days to respond to the above-captioned matter. 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 May 17, 1993.

If you have any questions, please call (202) 219-3690 and ask to speak with a member of the Central Enforcement Docket (CED).

Sincerely,

A handwritten signature in dark ink, appearing to read "R. M. Zanfardino", is written over the typed name and title.

Richard M. Zanfardino  
Staff Member

94043523502





## Democratic National Committee

May 17, 1993

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

Attention: Lisa Klein

Re: MUR 3766

Dear Ms. Klein:

This letter is submitted on behalf of Respondents 1992 Democratic National Convention Committee, Inc. and Robert Matsui as Treasurer ("DNCC") as their response to the complaint filed by Gail A. Lione for U.S. News and World Report, which has been designated MUR 3766. The disbursements referred to in that complaint have been properly reported in accordance with the regulations of the Federal Election Commission (the "Commission") and all of them were for Convention expenses constituting permissible uses of Convention payments under 11 C.F.R. § 9008.6. For these reasons, the Commission should find that there is no reason to believe that respondents have committed any violation of the Federal Election Campaign Act of 1971 as amended (the "Act"), and should dismiss the complaint.

1. The disbursements were properly reported.

The complaint refers to five disbursements. Two of them, however, were entries canceling each other out: a check payable to American Express dated April 23, 1993 and a void of that check, on April 23, 1993. Therefore, the complaint actually puts at issue only three disbursements:

(i) a payment to Alexis Herman on December 17, 1991, in the amount of \$7,076.65, for "travel";

(ii) a payment to Alexis Herman on April 23, 1992 of \$4,085.23, with no purpose shown on the original report; and

(iii) a payment to American Express dated June 22, 1992, in the amount of \$5,840.66, for "air".

53 MAY 17 PM 4:33

FEDERAL ELECTION COMMISSION

24043523503

As explained in the attached affidavit of Mocenya Broadus, Ms. Herman, who was chief executive officer of DNCC, travelled frequently to New York City, site of the 1992 Democratic National Convention, on Convention business. It was the practice of DNCC to pay American Express directly for that portion of Ms. Herman's American Express bill representing travel (transportation, lodging and subsistence) expenses incurred on behalf of DNCC and charged by Ms. Herman on her personal American Express credit card. That was the case for the June 22, 1992 payment to American Express.

As the affidavit further explains, in some cases, when there was a delay in obtaining such payment, Ms. Herman paid her entire American Express bill out of her own funds and then sought reimbursement for that portion representing charges for transportation, lodging and subsistence for herself and other individuals travelling on behalf of DNCC--a procedure entirely proper under 11 C.F.R. § 116.5. That procedure was followed in the cases of the December 17, 1991 and April 23, 1992 reimbursements of Ms. Herman.

The DNCC's year end report for 1991 shows that the purpose of the \$7,076.05 reimbursement to Ms. Herman was for "travel." The DNCC has filed an amendment to its second quarterly report for 1992 showing that the purpose of the April 23, 1992 reimbursement of \$4,085.23 to Ms. Herman was similarly for "travel." It is clear that these disbursements have been properly reported and, in particular, that it was proper to report these as reimbursements of Ms. Herman rather than showing payments made by the credit card company to individual vendors. See Advisory Opinion 1984-8, 1 CCH Fed. Elec. Camp. Fin. Guide ¶ 5756.

The DNCC has filed an amendment to its second quarterly report for 1992 showing that the purpose of the June 22, 1992 payment to American Express was for "travel" expenses. This disbursement has also been properly reported. While the Commission's rules require that political committees keep records of monthly billing statements for payments of credit card accounts, 11 C.F.R. § 102.9(b)(2)(ii), nothing in the Commission's rules requires reporting of amounts paid by credit card to particular vendors or of any other information from such statements. DNCC has thus fully complied with the Commission's rules by reporting the payment to American Express.<sup>1</sup>

<sup>1</sup> Although the Campaign Guide for Party Committees (Sept. 1989) does suggest (at p.27) that specific transactions in excess of \$200 to any vendor and charged on a credit card must be itemized as memo entries, this requirement appears nowhere in the Commission's regulations. The Campaign Guide, however, is not a regulation and for the Commission to treat it as such would violate the provisions of both 2 U.S.C. § 438(d) and the Administrative Procedure Act. That reporting should be governed by properly

2. The disbursements were for proper Convention expenses.

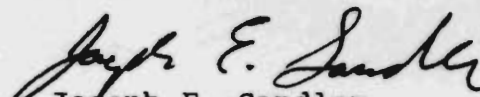
The complaint implies that the disbursements were somehow improper because they were for "hotel rooms", while "DNCC was directly billed for hotel charges." In fact, while there were direct billing arrangements with some hotels during the weeks immediately preceding the Convention, there were no such arrangements with hotels at other times and the charges for lodging included in the credit card statements at issue were not covered by any direct billing arrangement.

As established by the detailed itemization set out in the attached affidavit, all three disbursements were for transportation, lodging and subsistence expenses for DNCC officials, staff and consultants while travelling to New York on official Convention business. All of these disbursements were therefore for proper and permissible uses of Convention funds under 11 C.F.R. § 9008.6.

For these reasons, the Commission should find no reason to believe that there has been any violation of the Act by DNCC and should dismiss the Complaint.

A Statement of Designation of Counsel having previously been filed, all notices and other communications in connection with this MUR should be directed to the undersigned.

Sincerely yours,

  
Joseph E. Sandler

General Counsel, Democratic  
National Committee

Counsel for Respondents 1992  
Democratic National Convention  
Committee, Inc. and Robert T.  
Matsui as Treasurer

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promulgated regulations is not a mere technical point; it is critical if all regulated entities are to be treated equally and fairly. In that regard, it should be noted that the Republican National Committee does not currently itemize payments of credit card statements and, to our knowledge, the FEC has not called upon the RNC to do so.

940435233505

93 MAY 17 PM 4:33

BEFORE THE FEDERAL ELECTION COMMISSION

City of Washington )  
District of Columbia ) MUR 3766

AFFIDAVIT OF MONCENYA BROADUS

Monceny Broadus, being duly sworn, deposes and says:

1. My name is Monceny Broadus. I am currently employed at the Democratic National Committee as Travel Coordinator. During the period of July, 1991 to January, 1993, I was a consultant to the 1992 Democratic National Convention Committee, Inc. ("DNCC") with a range of responsibilities including, from approximately March 1992 through January 1993, assisting Alexis Herman, Chief Executive Officer of DNCC, in preparing requests by Ms. Herman for reimbursement of Convention transportation, lodging and subsistence expenses charged to Ms. Herman's personal credit card. I make this affidavit based on personal knowledge of Convention administrative procedures and on my review of relevant documentation, as indicated below.

2. Attached hereto as Exhibit 1 is a true and correct copy of the 1992 Democratic Convention Committee Administrative Guide. As indicated in this Guide, at pages 5-6, it was the normal policy of DNCC to have Convention employees and consultants pay their own funds for transportation, lodging and subsistence expenses and then obtain reimbursement from DNCC.

3. Because Ms. Herman was called upon to travel extensively for the Convention, this procedure was not usually followed in her case. Rather, it was the usual procedure for the DNCC to pay the credit card company (American Express) directly for that portion of her personal credit card statement which represented charges incurred on behalf of DNCC. During the period March 1992 through January 1993, I was responsible for working with Ms. Herman to identify those charges on her credit card statement which represented such charges incurred on behalf of DNCC.

4. On several occasions, however, because of the time consumed in processing check requests, it was not possible to obtain a check to American Express before the credit card bill was due. In those cases, Ms. Herman paid the bill personally and submitted a request for reimbursement for those charges incurred on behalf of DNCC.

94043523506



5. All requests for payment to the credit card company for DNCC expenses or for reimbursement of credit card charges incurred on behalf of DNCC, were further verified by Mr. Frank Williams, Chief Financial Officer of DNCC to ensure that all reimbursements were for legitimate convention activities.

6. Ms. Herman's American Express bill with a closing date of March 27, 1992 contained \$4,085.23 of expenses incurred on behalf of DNCC. When no check from DNCC appeared to be forthcoming in time to pay American Express before the due date for the statement, Ms. Herman paid the entire amount of the bill, and then requested reimbursement of the \$4,085.23 of charges incurred on behalf of DNCC. In the meantime, DNCC issued a check for this amount. That check was voided, and Ms. Herman was reimbursed for the \$4,085.23 which she had advanced to DNCC by paying the credit card bill.

7. Based on a review of the backup documentation to the following expense reimbursements, below is an itemization of the expense reimbursements that are in issue in this matter.

a. Payment to Ms. Alexis Herman dated December 17, 1991 in the amount of \$7,076.05. - This is a case in which because a check payable to American Express could not be obtained in time, Ms. Herman paid her credit card statement, with a closing date of November 26, 1991, and then requested reimbursement of \$7,076.05 of charges included in that statement for expenses incurred on behalf of DNCC for transportation to and lodging and meals in New York City, site of the 1992 Convention to which Ms. Herman was required to travel frequently on Convention business. These expenses, based on my review of relevant documentation, were as follows:

Naniwa - October 28, 1991 for meal. \$77.47

Juniors Restaurant - October 27, 1991 for meal. \$64.36

Charley O's - October 28, 1991 for meal. \$63.67

Waldorf Astoria - October 25-October 31, 1991.

Lodging for Howlie Davis, DNCC employee assigned to the office of VIP relations, \$1,476.95

Lodging for Alexis Herman, \$3,736.09

Lodging for Michelle Brown, executive assistant to Ms. Herman, \$1,228.71

Trump Shuttle - October 28, 1991 for travel for Jacqueline Williams, assistant to Ms. Herman, \$159.00

Delta Airlines - November 19, 1991 for transportation to/from New York City, \$269.80

24043523507



Affidavit of Monceny Broadus  
Page Three

b. Payment to Alexis Herman dated April 23, 1992 in the amount of \$4,085.23. - Again, this was a case in which it appeared that a check payable to American Express could not be obtained before the due date for the bill and consequently Ms. Herman paid the full amount of the American Express statement, with a closing date of March 27, 1992, and then requested reimbursement of \$4,085.23 of charges included in that statement for expenses incurred on behalf of DNCC for transportation to and lodging and meals in New York City. These expenses, based on my review of relevant documentation, were as follows:

Waldorf Astoria - March, 1992 for lodging \$2,850.56  
Delta Airlines - March, 1992 for transportation to/from New York City. \$638.00  
Trump Shuttle - March 17, 1992 for transportation. \$142.00  
Niles - March, 1992 for meal. \$109.50  
United Nations Plaza - March 6, 1992 for lodging. \$195.33  
King Office Supply Co - March 24, 1992 for office supplies. \$149.84

c. Payment to American Express Platinum Card dated June 22, 1992 in the amount of \$5,840.66. - In this case, DNCC paid American Express directly for that portion of Ms. Herman's credit card statement, with a closing date of May 26, 1992, representing charges for expenses incurred on behalf of DNCC for transportation to, and lodging and subsistence in, New York City. Based on my review of the relevant documentation, these expenses were as follows:

Niles - April, 1992 for meal. \$38.75.  
Hunan City - April, 1992 for meal. \$32.85  
Waldorf Astoria - April, 1992 for lodging. \$665.01  
Shun Lee Palace - April 27, 1992 for meal. \$88.92  
Niles - April, 1992 for meal. \$43.70  
Delta Airlines - April 27, 1992 for transportation to/from New York City.  
Travel for Gloria Gutierrez, DNCC assistant. \$120.00  
Travel for Alexis Herman. \$120.00  
Travel for Vanessa Weaver, DNCC consultant. \$120.00  
American Airlines - April 17, 1992 for transportation to/from New York City. \$55.00  
Sylvia's Restaurant - May 2, 1992 for meal. \$39.99  
The Shark Bar - May 9, 1992 for meal. \$55.25  
The Shark Bar - May 14, 1992 for meal. \$303.17  
Delta Airlines - May 5, 1992 for transportation to/from New York. \$120.00  
Rihga Royal Hotel - May, 1992  
Lodging for Alexis Herman. \$3,227.78  
Lodging for Dayton Watkins, DNCC consultant. \$360.11  
Sylvia's Restaurant - May 21, 1992 for meal. \$30.13  
Delta Airlines - May 22, 1992  
Travel for Gloria Gutierrez - \$240.00  
Travel for Alexis Herman - \$120.00  
Delta Dash Charge - \$60.00

24043523508

Affidavit of Monceny Broadus  
Page Four

The above information is true and correct to the best of my knowledge and belief.

Monceny Broadus  
Monceny Broadus

Sworn to and subscribed before me this 17th day of May, 1993.

John J. Sch  
Notary Public

My Commission Expires Nov. 14, 1996

My Commission Expires: \_\_\_\_\_

94043523509

Exhibit 1

**1992 DEMOCRATIC NATIONAL CONVENTION COMMITTEE**  
**ADMINISTRATIVE GUIDE**

9 4 0 4 3 5 2 3 5 1 0

**Issued: October, 1991**

## ADMINISTRATIVE GUIDE

Welcome to the 1992 Democratic National Convention Committee ("DNCC"). We have been charged by the Democratic National Committee ("DNC") with the job of organizing and conducting the 1992 Democratic Convention, which will be held in New York City on July 13-16, 1992.

The Convention will bring together over 4,922 delegates and alternates who have been selected in the each of the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam and the Virgin Islands and by Democrats Abroad and the United States Senate and House of Representatives. These delegates will select the Democratic Presidential and Vice Presidential nominees.

In addition to the official delegates, the Convention will draw over 25,000 guests, international visitors and members of the media. In the coming months, the DNCC will be developing and implementing plans to ensure that the Convention is a success at every level. You play an important role in achieving that goal, and we hope that your time with the DNCC will be productive and enjoyable.

This document is designed to help you do your job. If you have any questions, please let us know!

## GENERAL INFORMATION ABOUT THE DNCC

Every four years the Presidential Nominating Conventions of the two National Parties meet to select their respective Presidential and Vice Presidential nominees. In 1989, Chairman Brown appointed a site selection committee to review proposals submitted to the DNC by cities interested in hosting the 1992 Convention. In July 1991, after extensive staff review, and visits by the site selection committee to the interested cities, New York was selected to host the Convention. The DNCC will work closely with New York '92 in preparing for the Convention.

## LEGAL OBLIGATIONS

Congress established the Convention Entitlement Fund, which provides each of the National Parties with the funds to plan and conduct its Convention. The Federal Election Commission ("FEC") administers this Convention Entitlement Program. As part of the agreement that it entered into to receive these funds, the DNCC has agreed not to accept any contributions, and it has agreed to an automatic, extensive audit by the FEC shortly after the Convention.

The DNCC's use of the funds that it receives from the federal government to plan and conduct the Convention is governed by federal regulations. Those regulations strictly limit the use of funds to only Convention-related activities. As a consequence, the funds may not be used, for example, for fundraising activities and they may not be used to help any candidate or campaign. As employees of the DNCC, we are obligated to remain neutral during the Presidential Primary process, and with respect to all political activity, and to refrain from any other activities in which Convention funds are expended in a manner that is inconsistent with federal law. These obligations will be strictly enforced. In the event that you have a question concerning these matters, please contact the Office of the General Counsel at (202) 479-5142.

## DNCC ORGANIZATION

### OFFICERS

Ronald H. Brown, President  
Alexis M. Herman, CEO and Assistant Treasurer  
Senator John D. Rockefeller, National Finance Chair  
Congressman Robert T. Matsui, Treasurer  
Kathleen M. Vick, Secretary  
James Brady, Vice Chair  
Lynn Cutler, Vice Chair  
Jack Otero, Vice Chair  
Carmen Perez, Vice Chair  
Lottie Shackleford, Vice Chair  
Frank Williams, Chief Financial Officer

Chairman of the Party and President of the DNCC, Ronald H. Brown has final authority and responsibility for the production of the 1992 Democratic National Convention.



9 4 0 4 3 5 2 3 5 1 3

Alexis M. Herman, as Deputy Chair of the Party and Chief Executive Officer of the Convention, assists the Chairman in overall policy development and management. Working with Chairman Brown and Alexis is Mario Cooper, the Convention Manager, who is responsible for the day-to-day management of the Convention operation.

Jacqueline L. Falk serves as the Deputy Convention Manager. As such, she works with the CEO and the Convention Manager in the day-to-day operation of the Convention. She has oversight responsibility for several departments, including Credentials, Housing, and Transportation.

Frank Williams, as Chief Financial Officer of the Convention, is charged with oversight of the financial operations of the Convention, as well as fulfilling the FEC accounting regulations.

Hartina Flournoy, Esq., as Convention General Counsel, is responsible for overseeing all of the DNCC's legal work, including reviewing all contracts and RFPs, advising on applicable F.E.C. regulations and on the rules and regulations of the Party, including "The Call for the 1992 Democratic National Convention."

The DNCC is divided into several substantive departments, among them being Convention Hall, Transportation, Security, Credentials, Administration and Housing. Each department is headed by a Director. An updated list of staff will be provided to you.

### NEW YORK '92

New York '92 is a non-partisan, not-for-profit partnership between the public and private sectors created to manage New York's preparations for the Convention. The public sector component of New York '92 is the City of New York, which has committed funds to be used for the infrastructure and public services need by the Convention. The not-for-profit private sector component of New York '92 is the New York '92 Host Committee, chaired by Robert E. Rubin. The Host Committee has committed to raise funds to be used for welcoming receptions and activities for Convention attendees. The DNCC will work hand in hand with the New York '92 in the coming months. Any requests of or questions to New York '92 should be referred to the Convention Manager's Office.

## **ADMINISTRATIVE**

### **I.-- PURCHASES**

No expenditures are to be made without prior written authorization and approval from the appropriate Division Director and the Convention Manager. Any person creating an obligation without prior written authorization is taking the risk of being held personally liable for that obligation.

### **CHECK/EXPENDITURE REQUESTS**

Check/expenditure requests must be signed by the Director of the division making the request and the Convention Manager. Approved check/expenditure requests are then submitted by the Convention Manager to the Office of the Chief Financial Officer, where the checks are processed and mailed out or returned to the division making the request.

### **REIMBURSEMENT REQUESTS**

Requests for reimbursement should be submitted to the Convention Manager by the 20th of each month and must be accompanied by a check request and substantiating receipts in compliance with the DNCC's reimbursement policy. Approved requests will be submitted to the Office of the Chief Financial Office. Staff reimbursement checks will be processed on the 30th of the month.

### **CONTRACTS/RFPs**

All contracts, requests for proposals (RFPs), and all requests for contracts or RFPs to be drafted by the DNCC's Office of the General Counsel should be submitted to the Convention Manager. The Convention Manager will forward all contracts to the Office of the General Counsel where contracts will be either reviewed or drafted. Once contracts have been reviewed or drafted by the Office of the General Counsel, they will be returned to the Convention Manager's Office. The Office of the General Counsel, with final approval of the Convention Manager, will forward contracts to the Chairman and the CEO for signature. Fully executed contracts will be distributed by the Office of the General Counsel to the CEO, Convention Manager, appropriate Division Director, vendor and central files. NO RFPs ARE TO BE ISSUED WITHOUT THE APPROVAL OF THE CEO AND THE CONVENTION MANAGER. ALL CONTRACTS MUST BE SIGNED BY THE CHAIRMAN AND THE CEO.

## **OTHER COMMITMENTS**

No commitments for official DNCC endorsement or sanction of any activity, employment, hotel accommodations, housing, credentials, work or function space or use of DNCC equipment are to be made without the express written approval of the CEO or Convention Manager. In all instances, staff should avoid even the appearance of impropriety.

## **PUBLIC STATEMENTS RELATING TO THE CONVENTION**

Staff should not make or issue any public statements, or give any press interviews, dealing with the Convention unless expressly authorized to do so by the CEO, Convention Manager or Media Director.

## **OFFICE MANAGEMENT/PROCUREMENT POLICY**

All requests for office supplies and equipment should be submitted on a requisition form to the Director of Administration. Additionally, the Director of Administration should be contacted for information regarding the following:

1. Mail, including regular mail, bulk mail, federal express mail service, and express mail.
2. Courier Services
3. Reproduction Services, including commercial printing procedures.
4. Telephone supplies/repairs.
5. Maintenance, repairs and other administrative services.

## **II-- TRAVEL AND REIMBURSEMENTS**

### **TRAVEL REQUESTS**

All travel requests should be submitted on a "Travel Request Form" and must be authorized by the appropriate Division Director and the Convention Manager. The travel request form should include per diem. Any other special requests, such as rented automobiles, should also be included. Travel arrangements should not be finalized until travel requests are approved.

### **GROUND TRANSPORTATION**

The DNCC will reimburse staff members for reasonable costs incurred while on travel for taxis and other necessary ground transportation. The DNCC will also reimburse staff members

for costs for ground transportation while in New York, provided that the transportation is used in connection with DNCC work-related activities. The first choice for ground transportation while in New York should be the subway. Receipts should be kept for all such costs and should accompany requests for reimbursements.

### **PER DIEM**

Per Diem is \$35.00 while on travel in New York City, and \$20 while on travel outside New York City. Per diem requests should be included on the travel request forms. Per diem checks should be picked up from the Convention Manager's Office. It is expected that a staff member's per diem will cover his/her meal expenses while on travel.

### **HOTEL ROOMS**

In most instances hotel arrangements will be made through the Director of Administration's Office. The only hotel related charges that will be paid by the DNCC are the basic room charge and applicable taxes. In some instances, the DNCC will, pursuant to its hotel contracts, be provided with complimentary rooms, which it will use to accommodate staff. The DNCC is not responsible for non work related phone charges, room service, valet charges, movie charges or other costs that may be charged to a hotel room. Unless other arrangements are authorized by the Convention Manager, staff will be expected to pay for their hotel rooms and request reimbursement.

## **III-- GENERAL HUMAN RESOURCES MANAGEMENT PROVISIONS**

### **STAFF HIRING/TERMINATION PROCEDURES**

No staff may be hired without the prior approval of the Convention Manager. Recommended hires should be forward by Division Directors to the Convention Manager for approval.

All staff serve at the pleasure of the DNCC, and the DNCC may, by its President, CEO or Convention Manager, terminate staff at will. All recommended terminations should be forwarded by Division Directors to the Convention Manager for approval.

### **AFFIRMATIVE ACTION POLICY**

It is the DNCC's policy that all persons will have an equal opportunity for employment and, upon employment, will be treated equally regardless of race, color, sex, sexual orientation, age, religion, national origin or disability.

The DNCC is an equal opportunity employer and will comply with all applicable laws prohibiting discrimination in employment.



## **PAY PERIODS**

The DNCC's pay periods end every other Friday and the pay date is the following Tuesday. Pay checks are distributed to each individual by the Director of Administration's Office. For record keeping purposes, Division Directors will supply the Director of Administration's Office with Time Sheets for their division by close of business each Wednesday preceding a Tuesday pay day.

## **DIRECT DEPOSIT**

Direct Deposit of pay checks is possible. Contact the Director of Administration's Office for more information.

## **IV.-- ATTENDANCE AND LEAVE**

### **OFFICE HOURS**

Regular office hours will be from 9:00 a.m.- 6:00 p.m.

### **VACATION/SICK LEAVE**

Staff will not accrue vacation or sick leave. Any requests for leave must be arranged with individual Division Directors. Due to the anticipated workload, no leave, other than sick or emergency leave, will be allowed after May 15, 1992.

## **V.-- INSURANCE AND BENEFITS**

### **HEALTH INSURANCE**

One health insurance plan, which includes dental coverage, is available: Blue Cross/Blue Shield. Information about the plan is available from the Director of Administration's Office. Employees with an expected service of less than 90 days are not eligible for health insurance.

## **VI.-- SMOKING POLICY**

The New York City "Clean Indoor Air Act" requires all businesses to establish rules to regulate smoking. Under the law, smoking is prohibited in any public area (lobby, corridors, conference rooms, restrooms, etc.) in any open work area, in any room or area where office equipment such as copiers are used in common by the staff, and in any enclosed area where there are smokers and non-smokers sharing the space and the non-smoker objects. There are additional requirements for distribution and posting of notices and signs.



**The DNCC's smoking policy is:**

1. Smoking is permitted only in enclosed offices or enclosed work areas where ALL the occupants are smokers.
2. Smoking is prohibited elsewhere.
3. A copy of this policy will be distributed to all employees and will be handed to all new employees.
4. Appropriate no-smoking signs will be posted in all common areas, corridors, in the lobby and in other areas on both the 8th and 10th floors.

Any questions about these requirements should be referred to the Director of Administration's Office.

**VII. -- ADDRESSES AND PHONE NUMBERS**

1992 Democratic National Convention Committee  
1250 Broadway  
New York, New York 10001  
(212) 290-1992 Fax (212) 290-1988

Mailing Address: P.O. Box 1992  
New York, New York 10116-1992

Democratic National Committee  
430 South Capitol Street, S.E.  
Washington, D.C. 20003  
(202) 863-8000 Fax: (202) 863-8174  
Fairchild Building: (202) 479-5143 Fax: (202) 479-5192

**EXPENDITURE REQUEST FORM**

**TRAVEL REQUEST**

94043523519

1992 DEMOCRATIC NATIONAL CONVENTION COMMITTEE  
EXPENDITURE REQUEST FORM

[Redacted], Division Director

**FROM:** ~~\_\_\_\_\_~~ **DATE:** \_\_\_\_\_

**SUBJECT:** Request for expenditure approval / Check request

**DOCUMENTATION:**

(Name to be used on check)

**Proposal / Estimate Attached**

(Mailing address)

**• Invoice Attached**

(City / State / Zip Code)

**• Agreement / Contract Attached**

**Receipt(s) Attached**

**PURPOSE OF EXPENDITURE:**

(A) / complete details of request)

AMOUNT:

1

00 NOT WRITE ABOVE THIS LINE • For approval Bureau only

Division Director

## Case

**Executive Director (Public Division Only)**

Case

TREASURER / ADMINISTRATOR

Case

470006

-75-

EXPENDITURE FORM

Name: \_\_\_\_\_

Division: \_\_\_\_\_

[illegible]

DEMOCRATIC NATIONAL COMMITTEE

TRAVEL REQUEST

DATE \_\_\_\_\_

NAME \_\_\_\_\_

HOME ADDRESS \_\_\_\_\_

PURPOSE \_\_\_\_\_

DETAILED TRAVEL RESERVATION INFORMATION \_\_\_\_\_

TRAVEL BY: Air \_\_\_\_\_ Rail \_\_\_\_\_ Bus \_\_\_\_\_ Personal Car \_\_\_\_\_

RESERVATIONS MADE? Yes \_\_\_\_\_ No \_\_\_\_\_ Auto Rental? Yes \_\_\_\_\_ No \_\_\_\_\_

TRAVEL COST \_\_\_\_\_

PER DIEM:

Food Subsidy \_\_\_\_\_

Lodging \_\_\_\_\_

TOTAL \_\_\_\_\_

Requested by \_\_\_\_\_

Authorization \_\_\_\_\_

COST CENTER DIRECTOR

Authorization \_\_\_\_\_

EXECUTIVE DIRECTOR

94043523522



GENERAL COUNSEL'S REPORT, DATED APRIL 5, 1994,  
AND CERTIFICATION OF COMMISSION VOTE, DATED MAY 5, 1994,  
ARE FILED AT THE FOLLOWING MICROFILM LOCATION:

MUR ROLL: 352

FRAMES: 2832-2847

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 6, 1994

Gail A. Lione, General Counsel  
U.S. News & World Report  
2400 N. Street, N.W.  
Washington, D.C. 20037

RE: MUR 3766

Dear Ms. Lione:

On April 16, 1993, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the respondents. See attached narrative. Accordingly, the Commission closed its file in this matter on June 3, 1994. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

*Mary L. Taksar*

Mary L. Taksar  
Attorney

Attachment  
Narrative

940435224

MUR 3766

DEMOCRATIC NATIONAL CONVENTION COMMITTEE

The complainant, U.S. News and World Report, alleges that the Democratic National Convention Committee ("DNCC") did not properly disclose \$21,097.17 in disbursements for travel expenses made from December 1991 to June 1992. According to U.S. News and Report, when it contacted the DNC regarding the disbursements, it was told that the payments to American Express were for hotel rooms for staff who did not carry credit cards. U.S. News and World Report states that it understood that the DNCC was directly billed for hotels and it therefore questions why the DNCC made checks payable to Alexis Herman and American Express Platinum Card.

In its response to the complaint, the DNCC indicates that the disbursements referred to were properly reported and all the expenditures were for permissible use. The DNCC states that Ms. Herman regularly charged expenses incurred on behalf of the DNCC to her personal American Express card and that the DNCC sent payments directly to American Express for these expenses. According to the DNCC, if payments were occasionally delayed, Ms. Herman paid the bill with personal funds and was then reimbursed by the DNCC. If a check to American Express had been issued in such an instance, it would then be voided. The DNCC also states that some hotel accommodations were not directly billed to the DNCC.

There is no indication in this matter of any serious intent to violate FECA and the activities do not appear to have had an impact on the process.

24043525



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 6, 1994

Joseph E. Sandler, General Counsel  
Democratic National Committee  
430 South Capitol Street, S.E.  
Washington, D.C. 20003

RE: MUR 3766  
1992 Democratic National Convention  
Committee, Inc. and Robert T. Matsui,  
as treasurer

Dear Mr. Sandler:

On April 20, 1993, the Federal Election Commission notified your clients, the 1992 Democratic National Convention Committee, Inc. and Robert T. Matsui, as treasurer, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against your clients. See attached narrative. Accordingly, the Commission closed its file in this matter on June 3, 1994.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

940435236

Joseph E. Sandler, General Counsel  
MUR 3766  
Page 2

If you have any questions, please contact Joan McEnery at  
(202) 219-3690.

Sincerely,

*Mary L. Taksar*

Mary L. Taksar  
Attorney

Attachment  
Narrative

94043523527



MUR 3766

DEMOCRATIC NATIONAL CONVENTION COMMITTEE

The complainant, U.S. News and World Report, alleges that the Democratic National Convention Committee ("DNCC") did not properly disclose \$21,097.17 in disbursements for travel expenses made from December 1991 to June 1992. According to U.S. News and World Report, when it contacted the DNC regarding the disbursements, it was told that the payments to American Express were for hotel rooms for staff who did not carry credit cards. U.S. News and World Report states that it understood that the DNCC was directly billed for hotels and it therefore questions why the DNCC made checks payable to Alexis Herman and American Express Platinum Card.

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There is no indication in this matter of any serious intent to violate FECA and the activities do not appear to have had an impact on the process.

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THIS IS THE END OF MUR # 3766

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3766

DATE FILMED 6/15/94 CAMERA NO. 2

CAMERAMAN EEC

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