REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: July 31, 1996

ANALYST: GINGER CAMPBELL

I. COMMITTEE: Enid '96 (C00304881)
Enid Greene, Treasurer
(01/26/96 - Present)
David A. Nielsen, Treasurer
(11/20/95 - 01/25/96)
Joseph P. Waldholtz, Treasurer
(Inception - 11/19/95)
P.O. Box 11232
Salt Lake City, UT 84147

II. RELEVANT STATUTE: 2 U.S.C. §441a(f)
11 CFR §§110.9(a) & 116.5(b)

III. BACKGROUND:

Receipt of Excessive Contributions

Enid '96 ("the Committee") has accepted excessive contributions totaling $75,954.76 during 1995. These contributions were made by one (1) individual, Joseph Waldholtz. To date, the Committee has refunded none of the excessive amount.

Presented below are the excessive contributions received, the notices sent and the responses received. For specific details, please refer to the attached Chart. The Chart is a chronological listing of all the excessive contributions received by the Committee.

A. Possible Violations Discovered During Review

Schedule A of the Committee's 1995 Year End Report discloses the receipt of excessive contributions totaling $59,363. These contributions were made by one (1) individual. Enid Greene Waldholtz filed a cover letter with the 1995 Year End Report stating that Coopers & Lybrand, its accounting firm, had discovered inaccurate information in its FEC reports. A letter from Coopers & Lybrand, also filed with the report, detailed the questionable transactions and stated that information forwarded to the Committee would allow revised reports to be filed "in the next several weeks"

(Attachment 2). On April 16, 1996, a Request For Additional Information ("RFAI") was sent to the Committee (Attachment 3). The RFAI notes the excessive receipts and requests that the Committee refund the excessive amounts. In addition, the RFAI notes the possibility of further Commission action concerning the acceptance of excessive contributions. The Committee's amended Year End Report, dated April 15, 1996, did not address this matter, therefore, on May 9, 1996, a Second Notice was sent to the Committee (Attachments 4 and 5).

On May 16, 1996, the Reports Analysis Division analyst was contacted by Deanna Levitt of the accounting firm Coopers & Lybrand. Ms. Levitt stated that the Committee was in receipt of a letter on the 1995 Year End Report and believed that a previously filed amendment, dated April 15, 1996, would adequately respond to the RFAI. However, the amendments do not adequately address the possible excessive contributions by Joseph Waldholtz (Attachment 6). The cover letter (with an accompanying Appendix) dated May 23, 1996, filed with the Amended 1995 Year End Report on May 28, 1996, details how the Committee's figures were reconstructed and disputes the refund requirement requested by RAD (Attachment 7).

On May 30, 1996, Michael H. Chanin, Counsel to Enid '96, Enid '94, and Representative Enid Greene Waldholtz, in her position as Treasurer, contacted the analyst. Mr. Chanin wanted to verify the Commission's receipt of the May 23, 1996, letter which he believed was an adequate response to the RFAI. Mr. Chanin wanted the analyst to assure him that no further letters pertaining to excessive contributions made by Joseph Waldholtz would be sent. The analyst declined to make this assurance and stated that it was not the analyst's decision on whether letters are sent or not sent from the Commission. Additionally, Mr. Chanin felt that the Commission was being unreasonable in requesting that the excessive contributions from Joseph Waldholtz be refunded. Mr. Chanin then requested to speak with John D. Gibson, Assistant Staff Director, Reports Analysis Division (Attachment 8).

Counsel for the Committee filed a letter dated July 17, 1996 which referenced several 1995 reports. A copy of Joseph Waldholtz's plea agreement, which included his admission of filing false information and omitting information on FEC reports, was also submitted (Attachment 9).

To date, there has been no further response from the Committee.

B. Possible Violations Discovered During Referral Preparation

The Committee's treasurer, Enid Greene Waldholtz, and its accounting firm, Coopers & Lybrand, submitted letters,

dated March 8, 1996, which detailed significant findings of errors and omissions on 1995 FEC reports. An amended Schedule A for the 1995 Mid-Year Report disclosed an additional receipt of $13,591.76 from Joseph Waldholtz (Attachment 10). The Amended 1995 Year End Report, filed on April 12, 1996, disclosed additional receipts of $3,000 from Joseph Waldholtz (refer to Attachment 4). RAD has not notified the Committee of these apparent excessive contributions.

To date, the Committee has failed to refund, redesignate or reattribute the remaining excessive amount.

CHART #1 *

CONTRIBUTOR	DATE	AMOUNT
Joseph Waldholtz	02/23/95	$13,591.76
Joseph Waldholtz	07/05/95	$ 900.00
Joseph Waldholtz	07/06/95	$ 2,500.00
Joseph Waldholtz	08/04/95	$ 1,500.00
Joseph Waldholtz	08/14/95	$ 2,000.00
Joseph Waldholtz	08/15/95	$11,000.00
Joseph Waldholtz	08/17/95	$ 6,200.00
Joseph Waldholtz	08/18/95	$ 5,000.00
Joseph Waldholtz	08/18/95	$12,811.35
Joseph Waldholtz	09/11/95	$ 1,000.00
Joseph Waldholtz	09/22/95	$ 390.88
Joseph Waldholtz	09/26/95	$ 130.00
Joseph Waldholtz	09/29/95	$ 200.00
Joseph Waldholtz	10/03/95	$ 200.00
Joseph Waldholtz	10/06/95	$ 630.77
Joseph Waldholtz	10/10/95	$ 1,500.00
Joseph Waldholtz	10/11/95	$ 1,000.00
Joseph Waldholtz	10/11/95	$ 200.00
Joseph Waldholtz	10/12/95	$10,000.00
Joseph Waldholtz	10/24/95	$ 5,000.00
Joseph Waldholtz	11/02/95	$ 500.00
Joseph Waldholtz	11/06/95	$ 700.00
	TOTAL **	$76,954.76

* These contributions can be found at microfilm location #s: 9601-593-0955, 9601-593-0956, 9601-595-2166 & 9601-599-3474.

** This figure represents all 1995 contributions from Joseph Waldholtz.

[illegible]

[illegible]

[illegible]

Enid '96

Enid '96

All reports have been reviewed except the amended Mid-Year and Year End Reports received in July 1996 and the July Quarterly Report.

Outstanding debts reported as owed as of 6/30/96: $64,635

Ending cash on hand as reported as of 6/30/96: $2,410

Enid '94

All reports have been reviewed except the July Quarterly Report.

Outstanding debts reported as owed as of 6/30/96: $85,986

Ending cash on hand as reported as of 6/30/96: $1,550

All reports have been reviewed
Outstanding debts reported as owed as of 12/31/94: $116,453
Ending cash-on hand reported as of 12/31/94: -$43,062

2022-402-10-00

FEB 5 9 11 AM '96

January 31, 1996

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: 1995 Year-End Reports for Enid '96 and Enid '94
(FEC Identification Nos. C00304881 and C00263632)

Dear Sirs:

Enclosed for filing please find the 1995 Year-End Reports for the above-referenced campaign committees. I am also enclosing for your review a letter prepared by the committees' accounting firm, Coopers & Lybrand, L.L.P. which undertook the forensic accounting procedures necessary to reconstruct and verify, to the extent possible, the data included in these reports. The 1995 Year-End Reports are qualified in their entirety by the limitations stated in their letter.

In particular, Coopers & Lybrand reports it has discovered substantial inaccuracies in the committees' 1995 Mid-Year reports relating to the first half of 1995, which were prepared and filed by the former treasurer, Joseph P. Waldholtz, whom I removed in November, 1995. Review of that data by Coopers & Lybrand is not yet complete and final data may affect the cumulative data in the enclosed reports. Also, Coopers & Lybrand reports that certain expenditures may have been made from personal accounts of the former Treasurer, Joseph P. Waldholtz, to which neither the committees nor I have access because of bank privacy laws. Therefore, the reports which have been filed do not and cannot include transactions made in those accounts by the former Treasurer.

Coopers & Lybrand is in the process of completing its detailed analyses of the 1995 Mid-Year Reports and the committees will file amended versions of these reports as soon as verification of available or reconstructed data is completed. Coopers & Lybrand and the committees' outside counsel, Powell, Goldstein, Frazer & Murphy, are also reviewing all

P O Box 11232 • Salt Lake City • Utah • 84147-0232
Paid for by Enid '96

Federal Election Commission
January 31, 1996
Page 2

previous reports filed on behalf of both committees. The committees expect to find substantial inconsistencies in most of these reports as well, and similarly plan to file corrected reports as soon as possible. We anticipate that these amended reports will be filed within thirty days. At that time, the committees will also be able to respond to the Commission's two outstanding information requests, which were not found until after Joseph P. Waldholtz was removed as Treasurer of both committees.

Sincerely,

Enid Greene Waldholtz

Enid Greene Waldholtz
Treasurer, Enid '96 and Enid '94

Enclosures

cc: Clerk
U.S. House of Representatives

Lieutenant Governor
State of Utah (Certified Mail - Return Receipt Requested)

96011930964

Coopers & Lybrand

Coopers & Lybrand L.L.P.
a professional services firm

[illegible] H Street N.W.
Washington, DC
[illegible]

[illegible]

January 31, 1996

The Honorable Enid Greene Waldholtz
Treasurer, Enid '94 and Enid '96

Subject: Year-End 1995 FEC Reports for Enid '96 and Enid '94

Dear Ms. Waldholtz:

The Enid '96 and Enid '94 committees retained Coopers & Lybrand, L.L.P. to provide forensic accounting assistance in preparing the year-end 1995 FEC reports due January 31, 1996. This letter provides supplementary information to you as Treasurer of the committees.

As part of our forensic accounting activities, we have been compelled by the dismissal of the financial records during the periods in which they were controlled by Joseph Waldholtz to substantially reconstruct the two committees' financial records from basic level records such as bank statements, cancelled checks, deposit tickets, copies of checks and other amounts deposited, wire transfers, and other similar documents. This effort was supplemented by interviews with the post-Joseph Waldholtz and immediate past Treasurer, Mr. David Nielson, and with you as the current Treasurer. The effort also included sampling and confirmation procedures performed on selected campaign vendors, as well as contacting campaign contributors by phone or mail. This reconstruction process is detailed, complex, and time consuming, particularly because we have not been able to interview the committees' former Treasurer, Joseph Waldholtz, who was removed in November, 1995.

As a result of the procedures we have performed to date, we have provided both committees with information to be used in submitting the 1995 year-end FEC reports for the Enid '96 and Enid '94 committees. However, although we have used forensic accounting procedures and best efforts to reconstruct the committees' financial records, we did not audit this information and no audit opinion is expressed therein. In addition, we have not yet completed all of our forensic procedures. Thus, we are not yet able to provide all information believed necessary to allow the committees to file, at this date, revised FEC reports to replace FEC reports previously filed by the committees' former Treasurer, Joseph Waldholtz. However, based on our detailed work to date, we believe that most, if not all, reports he filed contain significant inaccuracies.

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As you know, the revised year-end 1995 reports include cumulative data for 1995. That cumulative data typically includes the data reported earlier for the first half of 1995 from the mid-year reports filed by the former Treasurer, Joseph Waldholtz. We have provided revisions to the cumulative data based on information we have developed to date on the first half of 1995. However, we have not completed the forensic procedures as to the mid-year 1995 reports and, therefore, it is possible that the cumulative data included in the year-end 1995 reports may be affected by the results of further work. We are continuing to work diligently on assisting the committees to revise these earlier reports and realistically expect to have information to allow amended reports to be filed within the next several weeks.

We have found numerous discrepancies between transactions reported on the earlier mid-year 1995 FEC reports, filed for the Enid '96 and Enid '94 committees by the former Treasurer, and the committees' actual bank records. Consequently, great caution should be taken when attempting to make any comparison of activity reported in the mid-year reports filed by Joseph Waldholtz and the year-end reports to be filed by the committees on January 31, 1996. For example, the mid-year 1995 FEC report filed by Joseph Waldholtz for the Enid '94 committee lists "Cash on Hand" at June 30, 1995 of $182,712.34. At this point, we have found the actual cash on hand in Enid '94 committee bank accounts was $13.69 at June 30, 1995.

The "calendar year-to-date" totals contained in the year-end 1995 reports to be filed on January 31, 1996, also will not agree with the mid-year 1995 FEC reports filed by Joseph Waldholtz. We again found a number of discrepancies and/or omissions of financial activity (e.g., a large number of payments to vendors not reported) in these mid-year 1995 reports, as compared to the actual activity identified in these bank accounts in January 1, 1995 to June 30, 1995. As the specific details of certain transactions are not yet completed, we are not yet prepared to provide the committees with the data necessary to file revised mid-year reports. We expect to be able to do this soon.

Because of bank privacy laws, we also are unable to obtain personal credit card information and statements related to Joseph Waldholtz (for his individual accounts), which could contain Enid '94 and Enid '96 committee expenses similar to a $6,200 committee expense found to be charged to one of Joseph Waldholtz's personal credit cards in our vendor confirmation procedures (see Attachment A). This amount has been provided to you so it may be added to the FEC report as an unreimbursed advance, made from personal funds. The committee can, of course, dispute this amount.

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With respect to the financial activities of the Enid '94 and Enid '96 committees for the July 1, 1995 to December 31, 1995 period, we found certain transactions, included in the reported reports which we have classified as "questioned" items. These include the following:

- In the second half of 1995, the Enid '96 committee received over $56,000 in transfers from joint personal checking accounts which, according to information provided by you, were controlled by Joseph Waldholtz. Additionally, you informed us that these transfers were not made by you and that you were unaware of them. These transfers exceeded the individual donation limit for Joseph Waldholtz and were also made from accounts in which Joseph Waldholtz did not appear to have $56,000 in available personal funds. Although these transfers have been treated as receipts from accounts controlled by Joseph Waldholtz, the actual funds used to make these transfers appear to have originated from other accounts/sources. We are still investigating these transactions, but do not believe these to be valid campaign contributions.

- On August 8, 1995, Enid '96 received a $2,500 single cash deposit which was not identified as to contributors and for which little other documentation has been located. Therefore, it has been listed as a "questioned receipt."

- Enid '96 paid over $700 to Joseph Waldholtz in three separate disbursements for which we have not identified any valid campaign purposes. We also found no documentation indicating these amounts were expense reimbursements. One of these disbursements (for $341.01) is a debit memo which decreased this committee's bank account balance, for the apparent purpose of clearing an overdraft in an unrelated personal account which we understand from you was controlled by Joseph Waldholtz.

- From July 1, 1995, to December 31, 1995, the only receipts obtained by the Enid '94 committee were transfers made from personal accounts which we understand were controlled by Joseph Waldholtz. These transfers similarly do not appear to be valid campaign contributions.

Our work to date indicates similar questioned transactions by Joseph Waldholtz occurred earlier in both of these campaigns. Other questioned items involving Joseph Waldholtz have been identified and are actively being analyzed. As previously stated, we are still examining various transactions and we expect to be in a position to provide information to the committees to enable them to provide revised FEC reports in the next several weeks.

The Honorable Enid Greene Waldholtz
Treasurer, Enid '94 and Enid '96
January 31, 1996
Page 4

You will also note that the outstanding debts/obligations sections of the year-end reports contain amounts for both our firm and Powell, Goldstein, Frazer & Murphy related to services provided with regard to FEC compliance issues prior to December 31, 1995. These invoices are dated at the end of January, 1996, but relate to work performed before the year-end cut-off date.

Should you have any questions in reference to this letter, do not hesitate to call me at (202) 822-4266.

Sincerely,

Frederic R. Miller

Frederic R. Miller, CPA
Partner for the Firm of
Coopers & Lybrand, L.L.P.

Attachment

0 0 6 0 2 6 1 0 9 0 0

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

PAGE 1 OF

FOR: FEC NUMBER N/A

SCHEDULE A **ITEMIZED RECEIPTS**

Contributions from Individuals/Persons Other than Political Committees

Any 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.

Full Name, Mailing Address and ZIP Code | Name of Employer | Date (month, day, year) | Amount of Each Receipt this Period

A. Full Name, Mailing Address and ZIP Code: Joseph P. Kalmbacher, Current address unknown
Name of Employer: Unknown
Date: 08/17/95
Amount: $6,200.00 MEMO (Unreimbursable expenses from personal accounts)
Occupation: Consultant
Receipt For: ☐ Primary ☐ General ☐ Other (specify): Fundraiser
Aggregate Year-to-Date > $

B. Full Name, Mailing Address and ZIP Code
Name of Employer
Date (month, day, year)
Amount of Each Receipt this Period
Occupation
Receipt For: ☐ Primary ☐ General ☐ Other (specify)
Aggregate Year-to-Date > $

C. Full Name, Mailing Address and ZIP Code
Name of Employer
Date (month, day, year)
Amount of Each Receipt this Period
Occupation
Receipt For: ☐ Primary ☐ General ☐ Other (specify)
Aggregate Year-to-Date > $

D. Full Name, Mailing Address and ZIP Code
Name of Employer
Date (month, day, year)
Amount of Each Receipt this Period
Occupation
Receipt For: ☐ Primary ☐ General ☐ Other (specify)
Aggregate Year-to-Date > $

E. Full Name, Mailing Address and ZIP Code
Name of Employer
Date (month, day, year)
Amount of Each Receipt this Period
Occupation
Receipt For: ☐ Primary ☐ General ☐ Other (specify)
Aggregate Year-to-Date > $

F. Full Name, Mailing Address and ZIP Code
Name of Employer
Date (month, day, year)
Amount of Each Receipt this Period
Occupation
Receipt For: ☐ Primary ☐ General ☐ Other (specify)
Aggregate Year-to-Date > $

G. Full Name, Mailing Address and ZIP Code
Name of Employer
Date (month, day, year)
Amount of Each Receipt this Period
Occupation
Receipt For: ☐ Primary ☐ General ☐ Other (specify)
Aggregate Year-to-Date > $

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

5-0026101-0026

PAGE

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

FOR L.B.J. MUSEUM USE

SCHEDULE A — ITEMIZED RECEIPTS

Other Receipts — Itemized

The information cannot that each Receipt and Disbursement 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)
END '88

Full Name, Mailing Address and Zip Code	Name of Employer	
CASH DEP > 5100-UNIDENTIFIED DISPOSABLE	Occupation	

Receipt For:	Date (month, day, year)	Amount of Each Receipt this Period
	8/3/88	2,500.00

Aggregate Year-to-Date > 2,500.00

Full Name, Mailing Address and Zip Code	Name of Employer	
WALDHOLTZ, JOSEPH 6691 S. SENECA DRIVE SALT LAKE CITY UT 84121	UNKNOWN Occupation CONSULTANT	

Receipt For: Receipt for Unknown Purposes	Date (month, day, year)	Amount of Each Receipt this Period
	7/5/95	500.00
	7/6/95	2,500.00
	8/14/95	2,000.00
	8/15/95	11,000.00
	8/16/95	5,000.00
	8/18/95	12,011.36
	9/11/95	1,000.00
	9/22/95	320.00
	9/25/95	130.00
	10/3/95	200.00
	10/5/95	630.77
	10/12/95	10,000.00
	10/24/95	5,000.00
	11/2/95	500.00
	11/8/95	700.00

Aggregate Year-to-Date > 69,204.76

Full Name, Mailing Address and Zip Code	Name of Employer	
WALDHOLTZ, JOSEPH C/O J.G. ENGELMAN 6691 S. SENECA DRIVE SALT LAKE CITY UT 84121	UNKNOWN Occupation CONSULTANT	

Receipt For: Receipt for Unknown Purposes	Date (month, day, year)	Amount of Each Receipt this Period
	9/29/95	200.00
	10/11/95	1,000.00
	10/31/95	200.00

Aggregate Year-to-Date > 1,400.00

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

SCHEDULE C
(Page 2 of 2)

DEBTS AND OBLIGATIONS
Excluding Loans

Page 2 of 2
LINE NUMBER
(Use separate schedule for each numbered line)

Nature of Expenditure (In Full) Paid '96	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
A. Full Name, Mailing Address and ZIP Code of Debtor or Creditor Joseph P. Waldheim Current address unknown	-0- (DISPUTED AMOUNT - CAMPAIGN BELIEVES AMOUNT OWED IS ZERO) DISCLOSURE IS NOT A WAIVER OF CLAIM	6,200.00	-0-	6,200.00
Nature of Debt (Purpose): Apparent Advance from Personal Credit Card for Campaign Exp.				
B. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
C. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
D. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
E. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
F. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
1) SUBTOTALS This Period This Page (optional)				
2) TOTALS This Period (last page in this line only)				
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

APR 16 1996

Enid Greene Waldholtz, Treasurer
Enid '96
P.O. Box 11232
Salt Lake City, UT 84147

Identification Number: C00304881

Reference: Year End Report (7/1/95-12/31/95)

Dear Ms. Waldholtz:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report discloses a contribution(s) which appears to exceed the limits set forth in the Act (copies attached). You should conduct a review of all of your contributions to determine the rest of the excessives that your committee may have received. As you check for additional excessives, you should review the committee's procedures for handling the receipt of contributions.

An individual or a political committee other than a qualified multicandidate committee may not make a contribution to a candidate for federal office in excess of $1,000 per election. A qualified multicandidate committee may not make a contribution to a candidate for federal office in excess of $5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. §441a(a) and (f); 11 CFR §110.1(b), (e) and (k))

If the contribution(s) in question was not completely or correctly reported, you should amend your original report using the new or corrected information. If the contribution(s) exceeds the limits, you should either refund to the donor the amount in excess of $1,000 or get the donor to redesignate and/or reattribute the excessive amount in writing. All refunds, redesignations, and reattributions must be made within sixty days

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of receipt of the contribution. Copies of refund checks and copies of letters reattributing or redesignating the contributions in question may be used to respond to this letter. Refunds are reported on Line 20 of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR §104.8(d)(2), (3) and (4))

The acceptance of excessive contributions is a serious problem. Again, the committee's procedures for processing contributions should be examined and corrected in order to avoid this problem. Although the Commission may take further legal action, prompt action by you to refund or seek redesignation and/or reattribution of the excessive amount will be considered.

-Schedule A of your report discloses anonymous cash contributions. Please be advised that a committee may not accept more than $50 in anonymous cash contributions. A candidate or committee receiving anonymous cash contributions in excess of $50 shall promptly dispose of the amount over $50. The amount in excess of $50 may be used for any lawful purpose unrelated to any Federal Election, campaign or candidate. (11 CFR §110.4(c))

-Schedule B of your report (pertinent portion attached) indicates that your committee may have received an excessive contribution in the form of an advance from a committee staff member or other individual. See 11 CFR §116.5. Staff advances are considered contributions until they are repaid, are subject to the contribution limits for individuals and are also subject to the regulations governing the reporting of debts. See 11 CFR §104.11(b). If this individual was advancing funds to the committee for the purchase of campaign materials or services, the transaction should be reported in the following manner: the advance should be itemized as a contribution on Schedule A and listed as a memo entry. If, however, the advance was paid in the same reporting period in which it was made, the filing of a Schedule A is not required. When the repayment is made, the transaction should be itemized on a Schedule B supporting Line 17. If the ultimate payee (vendor) requires itemization, it should be listed on Schedule B as a memo entry directly below the entry itemizing the repayment of the advance.

If the advance (contribution) was not completely or correctly reported, please file an amendment with the new or corrected information.

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The Commission notes that the committee has disputed the advance. However, the acceptance of excessive contributions is a serious problem. The Committee's procedures for processing contributions should be examined and corrected in order to avoid this problem.

-The beginning cash balance of this report does not equal the ending balance of your Year End Report. Please correct this discrepancy and amend any reports which may be affected by the correction.

-Column B figures for the Summary and Detailed Summary Pages should equal the sum of the Column B figures on your previous report and the Column A figures on this report. Please file an amendment to your report to correct the Column B discrepancies for the Year End Report and any subsequent report(s) which may be affected by this correction. Note that Column B should reflect only the year-to-date totals for the calendar year 1995.

-Schedule D of your report itemizes a debt to Mecham Investment with an outstanding beginning balance; however, this debt was not included on your previous report. Please refer to Section 104.11(b) of the FEC Regulations and file an amendment to your report(s).

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

Ginger Campbell

Ginger Campbell
Reports Analyst
Reports Analysis Division

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ATTACHMENT 4

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

Apr 15 4 27 PM '96

April 15, 1996

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: Amended Year-End 1995 Reports for Enid '94 and Enid '96
(FEC Identification Nos. C00304881 and C00253632)

Dear Members of the Commission:

Enclosed for filing please find amended year-end 1995 reports for the above-referenced campaign committees. These reports cover the period July 1, 1995 to December 31, 1995. Joseph P. [illegible] Treasurer of the Committees until September, 1995. As I previously notified the Commission, [illegible] & Lyford, L.L.P. [illegible] that amended reports for the period 1995 [illegible] '94 and Enid '96 would be required [illegible] January 31, 1996) information developed through their forensic procedures.

I am also enclosing for your review a [illegible] by Coopers & Lybrand. The enclosed reports are qualified in their entirety by the limitations and qualifications stated in their letter. Because of the absence of financial records for the Committees for the period of time when they were controlled by their former treasurer, Joseph P. Waldholz, and the limitations on access to information and accounts belonging to other persons, reconstruction of the records of the Committees for those reports required forensic procedures which were detailed, complex and time-consuming. It should be noted that, as stated in the complaint against Joseph P. Waldholz filed by counsel to the Committees, funds belonging to the Committees apparently have been transferred to accounts to which neither the Committees nor I have access because of bank privacy laws. Therefore, the enclosed reports do not and cannot include transactions made in those accounts by the former treasurer. We hereby renew our request that the Commission use its investigative powers to determine the disposition of those funds.

P.O. Box 11232 • Salt Lake City • Utah • 84147-0232
Paid for by Enid '96

[illegible]

Sincerely,

Enid Greene Waldholtz

Enid Greene Waldholtz
Treasurer, Enid '94 and Enid '96

Enclosure

cc: Clerk, U.S. House of Representatives
Lt. Governor Gelbman, State of Utah (certified mail/return receipt requested)

this letter.

Our information is also subject to the same qualifications described in our two earlier letters. Please refer to them when using the attached data. Attachments I and II describe the necessary adjustments to be made to the year-end 1995 reports and the explanations for the changes.

Please do not hesitate to call me at (202) 822-4286 should you have any questions regarding this letter, its attachments, or the information to be used in the Amended Reports.

Sincerely,

Frederic R. Miller
Partner for the Firm of
Coopers & Lybrand L.L.P.

FRM/

Att.

Coopers & Lybrand L.L.P. is a member of Coopers & Lybrand International, a limited liability association of independent firms

ATTACHMENT II

Necessary Adjustments to Enid '95 Year-End Report

AMOUNT	EXPLANATION
$99 *	Adjustment to aggregate Year-to-Date Total, due to identification of an additional NRCC in-kind transaction during the period 1/1/95-6/30/95.
$1,668 *	Expenditure reclassified from Year-to-Date OPERATING EXPENDITURES to OTHER DISBURSEMENTS. See Attachment I for detailed explanation.
$1,203	Identification of outstanding balance due to Utah News Clips due to the discovery of additional amounts due in the confirmation process.
$20	Typographical error in reporting amount paid to Mecham Investment this period on Schedule D.
$3,000	Identification of third and fourth quarter campaign salary payments of $1,500 to Aaron Edens made by Joseph P. Waldholtz from personal bank account, apparently controlled by him. These payments were confirmed with Mr. Edens
$400	Identification of an additional in-kind contribution from a campaign donor during the period 1/1/95-6/30/95 as a result of our confirmation process.
$478 *	Identification of disbursements made in late December 1995, which cleared the bank in 1/96, to IRS, American Expedition Service, and AT&T Wireless. These were confirmed by campaign bank statements.
$738 *	Reclassify disbursements to Joseph P. Waldholtz from OTHER DISBURSEMENTS to QUESTIONED DISBURSEMENTS.
$440 *	Payment to AT&T Wireless disbursed in 12/95 was not credited to year-end invoice utilized to calculate outstanding amount. New information obtained from AT&T Wireless shows a credit to account resulting in no outstanding amount due to AT&T Wireless as of 12/31/95.
$500	Adjustment to aggregate Year-to-Date Total, due to identification of an additional contribution from Dean Witter-Discover & Co. PAC during the period 1/1/95 through 6/30/95.
$670 *	Identification of an additional in-kind contribution from Enid Greene Waldholtz that occurred during the period 1/1/95-6/30/95.

* Rounded to the nearest dollar

[illegible] [illegible] [illegible]	[illegible]	
Receipt For: [illegible]	Date (month, day, year)	Amount of Each Receipt this Period
NOTE: These are excess [illegible] ([illegible]) and checks ([illegible]) signed by Joseph P. [illegible], apparently under his control, to a campaign vendor and a campaign worker.	[illegible] [illegible] [illegible]	6,750 00 1,000 00 1,000 00
Aggregate Year-to-Date 8,750.00		

SUBTOTAL of Receipts This Page (optional)	
TOTAL This Period (last page this line number only)	

[illegible]				
Wolfinger, Joseph Current address unknown	0.00	8,200.00	0.00	8,200.00
	(Disputed Amount - Campaign believes amount owed is zero) Disclosure is not a waiver of claim			0.00
Name of Debt Payee - Amount Adjusted from Personal Check used for Campaign Expenses				
Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Wolfinger, Joseph Current address unknown	0.00	3,000.00	0.00	3,000.00
	(Disputed Amount - Campaign believes amount owed is zero) Disclosure is not a waiver of claim			0.00
Name of Debt Payee - Amount Adjusted from Personal Check Amount paid to Adam Wilson for salary.				
Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				

1. SUBTOTALS This Period This Page (optional)	
2. TOTALS This Period (last page in this line only)	5,903.89
3. TOTAL OUTSTANDING LOANS from Schedule C (last page only)	
4. ADD 2 and 3, and carry forward to appropriate line of Summary Page (last page only)	

FEC Form 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

May 9, 1996

Enid Greene Waldholtz, Treasurer
Enid '96
P.O. Box 11232
Salt Lake City, UT 84147

Identification Number: C00304881

Reference: Year End Report (7/1/95-12/31/95)

Dear Ms. Waldholtz:

This letter is to inform you that as of May 8, 1996, the Commission has not received your response to our request for additional information, dated April 16, 1996. This notice requests information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to this request.

The Commission notes the receipt of your Amended Year End Report received April 15, 1996, which corrected the cash-on-hand and Column B discrepancies. Please amend your report to address the following questions:

-Schedule A of your report discloses a contribution(s) which appears to exceed the limits set forth in the Act (copies attached). You should conduct a review of all of your contributions to determine the rest of the excessives that your committee may have received. As you check for additional excessives, you should review the committee's procedures for handling the receipt of contributions.

An individual or a political committee other than a qualified multicandidate committee may not make a contribution to a candidate for federal office in excess of $1,000 per election. A qualified multicandidate committee may not make a contribution to a candidate for federal office in excess of $5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. §441a(a) and (f); 11 CFR §110.1(b), (e) and (k))

If the contribution(s) in question was not completely or correctly reported, you should amend your original report using the new or corrected information. If the contribution(s) exceeds the limits, you should either refund to the donor the amount in excess of $1,000 or get the donor to redesignate and/or reattribute the excessive amount in writing. All refunds, redesignations, and reattributions must be made within sixty days of receipt of the contribution. Copies of refund checks and copies of letters reattributing or redesignating the contributions in question may be used to respond to this letter. Refunds are reported on Line 20 of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR §104.8(d)(2), (3) and (4))

The acceptance of excessive contributions is a serious problem. Again, the committee's procedures for processing contributions should be examined and corrected in order to avoid this problem. Although the Commission may take further legal action, prompt action by you to refund or seek redesignation and/or reattribution of the excessive amount will be considered.

-Schedule A of your report discloses anonymous cash contributions. Please be advised that a committee may not accept more than $50 in anonymous cash contributions. A candidate or committee receiving anonymous cash contributions in excess of $50 shall promptly dispose of the amount over $50. The amount in excess of $50 may be used for any lawful purpose unrelated to any Federal Election, campaign or candidate. (11 CFR §110.4(c))

-Schedule B of your report (pertinent portion attached) indicates that your committee may have received an excessive contribution in the form of an advance from a committee staff member or other individual. See 11 CFR §116.5. Staff advances are considered contributions until they are repaid, are subject to the contribution limits for individuals and are also subject to the regulations governing the reporting of debts. See 11 CFR §104.11(b). If this individual was advancing funds to the committee for the purchase of campaign materials or services, the transaction should be reported in the following manner: the advance should be itemized as a contribution on Schedule A and listed as a memo entry. If, however, the advance was paid in the same reporting

period in which it was made, the filing of a Schedule A is not required. When the repayment is made, the transaction should be itemized on a Schedule B supporting Line 17. If the ultimate payee (vendor) requires itemization, it should be listed on Schedule B as a memo entry directly below the entry itemizing the repayment of the advance.

If the advance (contribution) was not completely or correctly reported, please file an amendment with the new or corrected information.

The Commission notes that the committee has disputed the advance. However, the acceptance of excessive contributions is a serious problem. The Committee's procedures for processing contributions should be examined and corrected in order to avoid this problem.

-Schedule D of your report itemizes a debt to Mecham Investment with an outstanding beginning balance; however, this debt was not included on your previous report. Please refer to Section 104.11(b) of the FEC Regulations and file an amendment to your report(s).

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Ginger Campbell on our toll-free number (800) 424-9530 or our local number (202) 219-3580.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

Attachment

May 16, 1996

From: Deanna Levitt
Coppers & Lybrand
(202)822-4458
To: Ginger Campbell
RAD Analyst

Re: FEC letter on the 1995 Year End Report

Ms. Levitt stated that the Enid '96 committee was in receipt of the FEC letter on the 1995 Year End Report. She stated that a previously filed amendment addressed most of the questions raised in the letter.

96 04 10 12:22

POWELL, GOLDSTEIN, FRAZER & MURPHY
ATTORNEYS AT LAW

Sixteenth Floor
Peachtree Street, N.E.
nta, Georgia 30303
404 572-6600
Facsimile 404 572-6999

PLEASE RESPOND: Washington Address

Sixth Floor
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
202 347-0066
Facsimile 202 624-7222

May 23, 1996

Mr. John D. Gibson
Assistant Staff Director
Reports Analysis Division
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Information Requests to Enid '96 (No. C00304881) and Enid '94 (No. C00263632) (the "Committees")

Dear Mr. Gibson:

By letters dated April 2, 1996, as to Enid '94 and April 16, 1996, as to Enid '96, the Reports Analysis Division requested clarifying information regarding the 1995 Year-End Reports filed by the Committees respectively on January 31, 1996. For the most part, those requests concern "discrepancies" apparently from comparing balances in the Year-End Reports which were forensically reconstructed for the Committees by Coopers & Lybrand L.L.P. with the substantially inaccurate[1/] Mid-Year Reports prepared and filed by the dismissed former treasurer, Joseph P. Waldholtz. Appendix I to this letter explains, as requested by the Division's staff, how the forensically reconstructed amended Mid-Year and Year-End Reports, filed respectively by the Committees on March 8 and April 15, 1996, rectify the reports for the year 1995. In fact, Coopers & Lybrand's continuing efforts have disclosed only one minor reporting matter relating to $600 in rent obligations and correcting amendments are being filed under separate cover.

The main purpose of this letter is to respond to the suggestion in the Division's letters of April 16 and May 9, 1996, that the Enid '96 committee should refund to its dismissed former treasurer, Joseph P. Waldholtz, contributions by him in excess of $1,000 which he made using monies he fraudulently obtained from D. Forrest Greene. In sum, if anyone owes anything, it is Joseph P. Waldholtz who perpetrated a massive scam and should repay

---

1/ On November 13, 1995, and January 31, March 8 and April 15, 1996, the Commission was advised that the Mid-Year Reports prepared by the former treasurer, Joseph P. Waldholtz, had "substantial inaccuracies" and that forensic accounting was required to prepare amended Mid-Year Reports and, then, correlate the Year-End Reports.

the fraudulently obtained funds covered up by his violations of the Federal Election Campaign Act.

It was Joseph P. Waldholtz who made the contributions using illegally obtained funds; who as treasurer disguised them as legal in FEC reports prepared and signed by him; who embezzled funds from the Enid '96 Committee; who went to great lengths to create appearances of wealth through forged documents and concocted stories; and who deceived the candidate, her father and many others including financial institutions. It was the Enid '96 Committee and its current treasurer, Enid Greene, that undertook the cost of forensically reconstructing the records to file correct amended reports, that warned the Commission that prior reports by Joseph P. Waldholtz were inaccurate, that first disclosed to the Commission both his illegal contributions to and his embezzlement from the Enid '96 Committee, that brought a complaint for Federal Election Campaign Act violations against Joseph P. Waldholtz and that asked the Commission to use its subpoena powers to obtain records unavailable to the Enid '96 Committee and its new treasurer.

The Commission has already determined that campaign committees need not make refunds of illegal contributions in similar circumstances involving an embezzling treasurer. See Report of the Audit Division on the Tsongas Committee, Inc., approved December 16, 1994, Pages 97 and 98. The whole point of the effort by the Enid '96 Committee was to assure that its reports to the Commission were as accurate as possible and to bring an enforcement action against the former treasurer for his personal wrongdoings. To suggest that any refund is due under these circumstances is illogical, discourages corrective reporting when fraud is discovered and is contrary to the Commission's policies. The Enid '96 Committee renews the request made in its March 8 and April 15 letters that the Commission use its audit and subpoena powers to assist the Enid '96 Committee in obtaining information not available to it under bank privacy laws and its enforcement powers in an action against the dismissed former treasurer, Joseph P. Waldholtz.

By way of background, Representative Enid Greene informed the Commission on November 13, 1995 that the committee's treasurer, Joseph P. Waldholtz, was suspected of embezzling funds from both the Enid '96 and Enid '94 committees, had been removed from his position, and that there was "significant reason to doubt the accuracy of the reports filed by Mr. Waldholtz during the time he served as treasurer." Since that time, Representative Greene and the Committees have, at considerable time and expense, endeavored to reconstruct the actions of the Committees' former treasurer in order to correct any deficiencies in the reports he filed with the Commission. The 1995 Year-End Reports, timely filed January 31, 1996, and referenced in the Division's April 16 and May 9 letters, represent the Committees' first efforts to set the record straight and to bring to the Commission's attention a massive scheme by Joseph P. Waldholtz to circumvent the requirements of the Federal Election Campaign Act. He carried out that scheme without the knowledge of the candidate, using funds he obtained by fraud from the candidate's father, D. Forrest Greene. Under the Federal Election Campaign Act, it was Joseph P. Waldholtz who

had the personal legal responsibility to prepare and file accounts and complete FEC reports and against whom the Commission should act. 11 C.F.R. § 104.14(d).

Furthermore, the Committees and Enid Greene, as treasurer, filed significant and supplemental materials along with the 1995 Year-End Reports. They included the January 31, 1996 letter from Coopers & Lybrand L.L.P. to Representative Greene as treasurer explaining the results of Coopers & Lybrand's forensic reconstruction of the Enid '94 and Enid '96 records. In that letter, Coopers & Lybrand reports (p. 3) that Joseph P. Waldholtz transferred over $56,000 from personal checking accounts to the Enid '96 committee during the second half of 1995. The letter goes on to state that "[t]hese transfers exceeded the individual donation limit for Joseph Waldholtz and were also made from accounts in which Joseph Waldholtz did not appear to have $56,000 in personal funds." This language, along with the accompanying 1995 Year-End Report for Enid '96, clearly informed the Commission of Joseph P. Waldholtz's multiple violations of the Federal Election Campaign Act.

Fulfilling their obligation, Representative Greene as treasurer and the Committees filed a complaint against the Committee's former treasurer, Joseph P. Waldholtz, with the Commission's Office of General Counsel on March 8, 1996 -- nearly a month before the Division's first request for additional information. That complaint documents, in excruciating detail, more than 850 violations of the Federal Election Campaign Act and Commission regulations that Joseph P. Waldholtz committed during the time he served as treasurer of the Committees.

In fact, the complaint against Joseph P. Waldholtz specifically discloses and calls for enforcement by the Commission of the very same violations by Joseph P. Waldholtz that the Division later referenced in its April 16 and May 9 letters and that the Committees had brought to the Division's attention in the 1995 Year-End Report. For a discussion of Joseph P. Waldholtz's excessive contributions to Enid '96 during 1995, see MUR 4322, Complaint at ¶ 36 and Exhibits 2 and 31. For a discussion of Joseph P. Waldholtz's illegal cash contributions to Enid '96 in 1995, see MUR 4322, Complaint at ¶¶ 26(c) and 40 and Exhibit 3.

Based on the foregoing, refunds of these particular contributions to the dismissed former treasurer, Joseph P. Waldholtz, are not required under these circumstances and obviously will not be made. We believe that any contrary interpretation of the Division's

letters in this situation would be in error. In addition, we renew the Committees' requests that the Commission use its subpoena powers to obtain that unavailable information described in the Committees' letters of March 8 and April 15, 1996, and that the Commission vigorously pursue the complaint filed by the Committees on March 8, 1996.

Very truly yours,

Michael H. Chanin

For POWELL, GOLDSTEIN, FRAZER & MURPHY
Counsel to Enid '96 and Enid '94 and
Representative Enid Greene Waldholtz as Treasurer

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APPENDIX I

As you review the below itemization please refer to the Original 1995 Year-End Reports filed on January 31, 1996, the Amended 1995 Year-End Reports filed on April 15, 1996 and the attached cover letters filed with each of the reports.

1995 Year-End Report for Enid '94 (Identification No. C00263632)

(1) Cash on hand at the beginning of the reporting period 7/1/95 - 12/31/95 equals the cash on hand at the close of the reporting period 1/1/95 - 6/30/95. See the Detailed Summary Page, line 23, of the 1995 Year-End Reports filed on January 31, 1996 and April 15, 1996 for the beginning cash balance at 7/1/95. See the Detailed Summary Page, line 27, of the 1995 Mid-Year Report filed on March 8, 1996 for the ending balance at 6/30/95.

(2) Column B figures for the Summary and Detailed Summary Pages of the 1995 Year-End Reports filed on April 15, 1996 equal the sum of the Column B figures on the Amended 1995 Mid-Year Report filed on March 8, 1996 and the Column A figures on the 1995 Year-End Reports filed on April 15, 1996.

(3) The outstanding obligation of $1,967.99 due to Executone, listed on Schedule D in the Amended 1995 Mid-Year Reports filed on March 8, 1996, was disbursed from the Enid '96 Bank Account. This disbursement was reported as a memo entry on Schedule B, page 1 of 1, of the Amended 1995 Year-End Report filed on April 15, 1996. The disbursement was also reported as an Other Disbursement on Schedule B, page 1 of 1 for line number 21, of the Amended 1995 Year-End Report for Enid '96 filed on April 15, 1996.

1995 Year-End Report for Enid '96 (Identification No. C00304881)

(1) Cash on hand at the beginning of the reporting period 7/1/95 - 12/31/95 equals the cash on hand at the close of the reporting period 1/1/95 - 6/30/95. See the Detailed Summary Page, line 23, of the 1995 Year-End Reports filed on January 31, 1996 and April 15, 1996 for the beginning cash balance at 7/1/95. See the Detailed Summary Page, line 27, of the 1995 Mid-Year Report filed on March 8, 1996 for the ending balance at 6/30/95.

(2) Column B figures for the Summary and Detailed Summary Pages of the 1995 Year-End Reports filed on April 15, 1996 equal the sum of the Column B figures on the Amended 1995 Mid-Year Report filed on March 8, 1996 and the Column A figures on the 1995 Year-End Reports filed on April 15, 1996.

1995 Year-End Report for Enid '96 (Identification No. C00304881)
(continued)

(3) Schedule D of the 1995 Year-End Report itemizes a debt to Mecham Investment with an estimated outstanding beginning balance. This debt was not included on the 1995 Mid-Year Report. This noted inconsistency was unavoidable because we could not definitively confirm the actual amount of the Mecham obligation as of July 1, 1995 because of the lack of adequate supporting documentation.

This debt was not reported at all on the Enid '96 1995 Mid-Year Report prepared and filed by the Committee's former treasurer, Joseph P. Waldholtz. In the preparation of the Enid '96 1995 Year-End Report filed on January 1, 1996, forensic accounting procedures, and those few committee records available, were used to estimate the Committee's potential obligation to Mecham Investment as of July 1, 1995. At that time, the best estimate available for this obligation was $3,049.13. This figure was reported as an outstanding beginning balance on Schedule D of the Enid '96 1995 Year-End Report.[1/]

The Schedule D amounts were specifically qualified in the accompanying Coopers & Lybrand L.L.P. letter. Since January 31, 1996, ongoing Coopers & Lybrand's forensic work, including discussions with the owner of Mecham Investment, has determined that the actual outstanding debt owed to Mecham Investment as of June 30, 1995 was $600.00. Additionally, it was determined that at December 31, 1995 there was actually no outstanding obligation due to Mecham Investment by the Committees for 1995. This information was not previously available from existing Committee financial records or data supplied at that time from Mecham Investment.

The Amended FEC reports have been and continue to be qualified in their entirety by the limitations and qualifications stated in the letters prepared by the Committees' accounting firm, Coopers & Lybrand, and included in the January 31, 1996 and March 8, 1996 FEC filings. Specifically, a reference should be made to page 3, note (i) of the letter dated March 8, 1996. Although forensic testing procedures were utilized by Coopers & Lybrand to obtain and verify information, a lack of basic campaign accounts payable/debt information resulted in the qualification that the obligation schedules may not include all reportable outstanding debt of the Committees as of various cut-off dates.

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1/ Due to a typographical error, the 1995 Year-End Report filed on January 31, 1996 listed the outstanding beginning balance for this obligation as of July 1, 1995 to be $3,029.13. The Committee filed an amendment to the Year-End Report on April 15, 1996 correcting this error.

Attachment

May 30, 1996

From: Michael Chanin
Powell, Goldstein, Frazer & Murphy
(202)624-7235
To: Ginger Campbell
RAD Analyst

RE: FEC Year End letter on excessive contributions by Joseph Waldholtz

Mr. Chanin called to verify that the Commission has received the letter sent on May 23, 1996. The analyst confirmed that the Commission was in receipt of the May 23, 1996, letter. Additionally, Mr. Chanin wanted the analyst to assure him that no more letters on Joseph Waldholtz excessives would be sent. I explained that the decision to send out letters did not belong to the analyst. Mr. Chanin then requested to speak with John Gibson.

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
JUL 17 12 13 PM '96

ATTACHMENT 9

POWELL, GOLDSTEIN, FRAZER & MURPHY
ATTORNEYS AT LAW

Sixteenth Floor
191 Peachtree Street, N.E.
Atlanta, Georgia 30303
404 572-6600
Facsimile 404 572-6999

PLEASE RESPOND: Washington Address

Sixth Floor
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
202 347-0066
Facsimile 202 624-7222

July 17, 1996

Ms. Ginger Campbell
Reports Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: *Information* Requests to Enid '96 (No. C00304881)

Dear Ms. Campbell:

By two letters dated June 11, 1996, you have requested clarifying information regarding the amendment to the 1995 Mid-Year Report filed by Enid '96 on March 8, 1996 and the April Quarterly Report filed on April 15, 1996.

In one of the June 11 letters, you raise two specific issues with regard to the amendment to the 1995 Mid-Year Report. First, you note that the amendment indicates that Enid '96 had a negative cash balance of $2,585 as of June 30, 1995, and ask the committee to amend its report to show a zero balance. Second, you ask Enid '96 to explain its use of the term "questioned disbursements" on Schedule B of the 1995 Mid-Year Report, a term which is not on the list contained in the Commission's regulations.

Negative Cash Balance

As you know, the purpose of the amendment to the 1995 Mid-Year Report for Enid '96 was to correct false statements made to the Commission by the committee's former treasurer (and now felon), Joseph P. Waldholtz. The original 1995 Mid-Year Report prepared and filed by Joseph P. Waldholtz on July 31, 1995, *wrongfully* stated that the committee had a cash balance of $47,692.94. A forensic reconstruction of the Enid '96 committee records prepared by Coopers & Lybrand L.L.P. shows the cash balance figure reported by Joseph P. Waldholtz to be completely false and, within the limits of accuracy of the forensic reconstruction, that the committee's actual cash balance as of June 30, 1995 was

a negative $2,585. The false statements by Joseph P. Waldholtz are already the subject of an ongoing Commission enforcement action initiated by Enid Greene as treasurer of Enid '94 and Enid '96. See MUR 4322.

On June 5, 1996, Joseph P. Waldholtz pleaded guilty to one count of bank fraud (18 U.S.C. § 1344), one count of making a false statement (18 U.S.C. § 1001) and one count of making a false report to the Federal Election Commission (2 U.S.C. § 437g(d) and § 441a).[1] In his plea agreement (a copy of which is enclosed herewith), Joseph P. Waldholtz admitted that when he prepared and signed the 1994 Year-End Report for Enid '94, he "knew that the Report contained a substantial number of false statements of material facts and omissions of material facts and that the Report was not true, correct or complete." Plea Agreement at 3. These admissions should be construed as applying to all of the Enid '94 and Enid '96 reports similarly prepared and signed by him.

Your letter suggests that if the negative ending cash balance is due to an overdraft, it may constitute a prohibited contribution by the bank unless it was made on an account with automatic overdraft protection. Joseph P. Waldholtz, as treasurer of Enid '96, failed to obtain automatic overdraft protection for the Enid '96 campaign accounts. However, given the unique circumstances of this case and the facts as they are presently known, the committee believes that the overdraft[2] should not be treated as a contribution by the bank and that to so list it would be misleading. The overdraft occurred because of the wrongful actions of the treasurer, Joseph P. Waldholtz. Indeed, Joseph P. Waldholtz's guilty plea for criminal bank fraud involved a check-kiting scheme aimed at ***the same financial institution where Joseph P. Waldholtz maintained the Enid '96 campaign accounts.*** Accordingly, the negative cash balance as of June 30, 1995 should be considered evidence of Joseph P. Waldholtz's wrongdoing.

"Questioned Disbursements"

Your inquiry regarding the committee's use of the term "questioned disbursements" to describe certain expenditures reported on Schedule B of the amendment to the 1995 Mid-

---

[1] In addition, Joseph P. Waldholtz pleaded guilty to one count of tax fraud (26 U.S.C. § 7206(2)).

[2] From the forensic reconstruction of the committee's records, it appears that, at June 30, 1995, the actual overdraft of the committee's account caused by the committee's treasurer, Joseph P. Waldholtz, was $ 549.14 and that an additional $ 2,036.17 in checks had been issued by Joseph P. Waldholtz but had not cleared the committee's account. It also appears that any overdraft was corrected by July 6, 1995.

Ms. Ginger Campbell
July 17, 1996
Page 3

Year Report is also related to Joseph P. Waldholtz's actions while serving as treasurer of Enid '96. The Commission regulation you cite (11 C.F.R. § 104.3(b)(4)) does not include an approved term for describing committee funds that appear to have been misappropriated by the committee treasurer.

The itemized list of disbursements involved -- 19 transactions involving a total of $23,286.93 -- are transfers of committee funds from committee bank accounts to personal bank accounts controlled by Joseph P. Waldholtz or his relatives. The forensic reconstruction of the Enid '96 committee records prepared by Coopers & Lybrand L.L.P. could find no identifiable campaign purpose for these transfers and the committee has no access to the records of those accounts because of the bank privacy laws. However, the committee strongly suspects that Joseph P. Waldholtz converted some or all of these funds to his own personal use. The committee has urged the Commission to use its powers to gain access to the relevant bank records to determine the purpose of those disbursements as a part of the ongoing Commission enforcement action against Joseph P. Waldholtz. See MUR 4322, Complaint at ¶¶ 44 through 55. Until that enforcement action is complete and the relevant records are obtained, the committee cannot accurately report the exact purpose for these disbursements. Accordingly, in these circumstances and in the absence of any relevant Commission-approved term, the committee used the term "questioned disbursements" as an accurate way to describe these transactions.

Disputed Debts

Finally, your other June 11 letter concerned the April Quarterly Report filed by Enid '96 on April 15, 1996, and questioned why that report did not show "debt" to Joseph P. Waldholtz shown on a previous report. Enid '96 strongly denies that the committee has or ever had any "debt" whatsoever to Joseph P. Waldholtz and the use of the term "disputed debt" was intended to show that. The forensic reconstruction of the Enid '96 campaign records by Coopers & Lybrand showed that Joseph P. Waldholtz had apparently paid for some campaign expenses with his personal credit card. For bank privacy reasons, those credit card transactions are not available to the committee and it is not possible to determine the reasons for each of those payments by credit card.

Thus, when these credit card payments were discovered, the committee contacted the Commission staff and was told to report them as staff advances. Because reporting these payments as staff advances might imply a debt to repay them, the committee had no choice but to make it clear that it disputed any notion that any such "debt" ever existed. Thus, the term "disputed debt" was used to allow the committee to notify the Commission of Joseph P. Waldholtz's wrongful payments of campaign expenses by personal credit card while making clear the committee's denial of any liability in connection with those payments. Because no such "debt" exists except by implication from the manner in which the Commission told the

POWELL, GOLDSTEIN, FRAZER & MURPHY

Ms. Ginger Campbell
July 17, 1996
Page 4

committee to report the payments, the committee does not believe there is any "debt" to be reported on subsequent reports. Indeed, the Committee believes that it would be misleading to even suggest some sort of a continuing "disputed" debt when, if there is any liability, it is from Joseph P. Waldholtz to the committee for his wrongful acts.

Very truly yours,

Michael H. Chanin

For POWELL, GOLDSTEIN, FRAZER & MURPHY
Counsel to Enid '96 and Enid '94 and
Representative Enid Greene Waldholtz as Treasurer

21841629

09.04.1996.5332

U.S. Department of Justice

United States Attorney

District of Columbia

Judiciary Center
555 Fourth St. N.W.
Washington, DC 20001

May 29, 1996

Pamela Bethel, Esquire
Barbara Nicastro, Esquire
Bethel & Nicastro
2021 L Street, N.W.
Suite 300
Washington, DC 20036

Re: Joseph P. Waldholtz, Cr. Case No. 96-143 (NHJ)

Dear Ms. Bethel and Ms. Nicastro:

This letter sets forth the terms and conditions of the Plea Agreement which this Office is willing to enter into with your client, Joseph P. Waldholtz, regarding the charges in the above captioned-case and other matters presently under investigation.

1. <u>CHARGES</u>

Mr. Waldholtz agrees to enter a plea of guilty in the United States District Court for the District of Columbia to one count of bank fraud (18 U.S.C. § 1344) and agrees to criminal forfeiture of $14,910 (18 U.S.C. §§ 982(a)(2) and (b)(1)(8)) as charged in Count Twenty-One and in the Forfeiture Count of the Indictment returned against him in Criminal Case No. 96-143. In addition, Mr. Waldholtz agrees to plead guilty to a three-count Information charging him with one count of making a false statement (18 U.S.C. § 1001), one count of making a false report to the Federal Election Commission ("FEC") (2 U.S.C. § 437g(d) and § 441a), and one count of willfully aiding or assisting in filing a false or fraudulent tax return (26 U.S.C. § 7206(2)). The Information will be filed on a date determined by the government. Joseph Waldholtz agrees that, for the purposes of this plea, venue for all charges is properly before the United States District Court for the District of Columbia and agrees to waive any challenges to venue.

2. FACTUAL ADMISSION OF GUILT

Pursuant to Rule 11(e)(6), Federal Rules of Criminal Procedure, and Rule 410 of the Federal Rules of Evidence, Mr. Waldholtz agrees to state under oath that the following statement of his actions is true and accurate. The government agrees that the following facts constitute all of the relevant facts of conviction.

The charges set forth in Section 1, above, arise from the following facts:

a. Bank Fraud

1. Offense of Conviction

Mr. Waldholtz pleads guilty to Count Twenty-One of the Indictment and admits that, as part of a scheme and artifice to defraud, on or about February 27, 1995, he deposited into a checking account at the First Security Bank of Utah ("First Security") two checks, numbered 116 and 117, drawn on a checking account at the Wright Patman Congressional Federal Credit Union ("CFCU") in the total amount of $250,000, knowing that there were not sufficient funds in the CFCU account to pay those checks and intending to create the erroneous appearance that sufficient funds were available.

2. Relevant Conduct

From late January of 1995 through early March of 1995, Joseph Waldholtz engaged in a scheme and artifice to defraud First Security and CFCU through "check kiting" between joint checking accounts that he and his wife, Enid Greene Waldholtz, had at First Security (Account No. 051-1075-51) and CFCU (Account No. 106413). He began carrying out this scheme on February 3, 1995, by depositing into the First Security account a check for $10,000 drawn on the CFCU account and depositing into the CFCU account a check for $10,000 drawn on the First Security account. At the time he wrote those checks and made those deposits, Joseph Waldholtz knew that there were not sufficient funds in either account to cover the amounts of the checks.

Mr. Waldholtz continued to make cross deposits into the two accounts in order to make it appear that there were substantial balances in both accounts when, in fact, the actual balances were negligible or negative. In addition, Mr. Waldholtz wrote checks on both accounts to third parties. First Security and CFCU paid those checks because Mr. Waldholtz's actions made it appear that the accounts had sufficient balances to pay the checks. Between February 3, 1995 and March 2, 1995, First Security paid checks to third parties totaling approximately $130,000 and checks totaling approximately $11,010 to Mr. Waldholtz. During the same time

period, CFCU paid checks to third parties totaling approximately $62,000 and checks totaling approximately $3,900 to Mr. Waldholtz.

In reality, there were virtually no funds in either account to pay those checks. After CFCU and FSB discovered the check kiting scheme and exchanged certain checks, the Waldholtzs' account at First Security had a negative balance or overdraft of approximately $209,000 and the account at CFCU had no overdraft. Mr. Waldholtz covered the overdraft by depositing into the First Security account money which was provided by Enid Greene Waldholtz's father, D. Forrest Greene.

b. False Statements and False FEC Reports

Joseph Waldholtz was the treasurer of Enid Waldholtz's 1994 Congressional campaign committee, which was called "Enid '94" ("the Committee"). As treasurer, Mr. Waldholtz was responsible for preparing various FEC forms and reports regarding the Committee's receipts and disbursements and was responsible for certifying that the Committee's submissions were "to the best of [his] knowledge and belief . . .true, correct and complete."

On or about January 31, 1995, Mr. Waldholtz signed the 1994 Year End Report (FEC Form 3) for Enid '94 and signed the Report to certify that it was true, correct and complete. Mr. Waldholtz then caused the Report to be filed with the FEC. At the time that he signed the Report and caused it to be filed, Joseph Waldholtz knew that the Report contained a substantial number of false statements of material facts and omissions of material facts and that the Report was not true, correct or complete.

During calendar year 1994, Enid Waldholtz's father, D. Forrest Greene, had deposited approximately $2,800,000 into the personal bank accounts of Joseph and Enid Waldholtz. Joseph Waldholtz knew that during calendar year 1994 almost $1,800,000 provided by Mr. Greene was transferred from the Waldholtzs' personal accounts to Enid '94. Joseph Waldholtz also knew that neither he nor Enid Waldholtz were receiving salaries during most of 1994 and that neither he nor Enid Waldholtz had sufficient personal funds, independent of those provided by Mr. Greene, to cover the transfers to Enid '94.

Despite the fact that he knew that the funds that were transferred from the personal accounts of Joseph and Enid Waldholtz to Enid '94 had been provided by Mr. Greene, Joseph Waldholtz reported on various FEC Reports, including the 1994 Year End Report, that the transferred funds represented Enid Waldholtz's personal assets. Mr. Waldholtz made those false statements and misrepresentations because he knew that the FEC regulations that limit campaign contributions to $1,000 per

election cycle do not apply to contributions that a candidate makes with her own funds.

Mr. Waldholtz further admits that he created "ghost contributors" to Enid '94. Mr. Waldholtz willfully reported false names and addresses of alleged contributors to the Enid '94 campaign, even though he knew that the persons did not make contributions to Enid '94.

c. Willfully Aiding or Assisting in Filing a False or Fraudulent Tax Return

Joseph and Enid Greene Waldholtz were married in August of 1993, but decided to file separate federal tax returns for the 1993 tax year. During 1993, Enid Greene Waldholtz sold shares of securities that she owned which had appreciated in value. As a result of that appreciation, Enid Greene Waldholtz incurred and had the obligation to report a long term capital gain of approximately $39,000.

Enid Greene Waldholtz told Joseph Waldholtz that she would have to pay income tax on that capital gain and, to prevent her from having to pay the tax, Joseph Waldholtz told Enid Greene Waldholtz that he would give her stock on which he said he had incurred a long term capital loss in excess of the amount of her capital gain. Joseph Waldholtz then provided Enid Greene Waldholtz with the name of the stock that he falsely claimed to have given her and the date on which he claimed to have given the stock to her, the date that he claimed to have purchased the stock, the number of shares he claimed to have purchased, and its alleged basis.

Those figures created a phony capital loss of more than $56,000, which Enid Greene Waldholtz reported as a long term capital loss, thereby eliminating any tax liability for Enid Greene Waldholtz for the $39,000 capital gain. Joseph Waldholtz knew that he did not own the stock, that he had not and could not give the stock to Enid Greene Waldholtz, and that the basis figures were false. Joseph Waldholtz knew that Enid Waldholtz would use the false information in preparing her 1993 tax return and that the information would create a false capital loss.

3. ADDITIONAL CHARGES

If Mr. Waldholtz completely fulfills all of his obligations under this Agreement, the United States Attorney's Office for the District of Columbia agrees not to bring any additional criminal or civil charges against him for conduct regarding: (1) bank fraud or check kiting involving First Security Bank of Utah, the Wright Patman Congressional Federal Credit Union, Merrill Lynch,

Pittsburgh National Bank, or NationsBank; (2) forgery or uttering of financial instruments involving First Security, CFCU or NationsBank checking accounts or Congressional paychecks; and (3) forgery of "Ginny Mae" securities; provided that he provides full information about all such matters pursuant to Section 6 of this Agreement.

In addition, if Mr. Waldholtz completely fulfills all of his obligations under this Agreement, the United States Attorney's Office for the District of Columbia agrees not to bring any additional criminal charges against him for conduct regarding (1) false statements or violations related to any FEC reports or other reports filed by any campaign committee or other organization supporting the 1992 Congressional campaign of Enid Greene or the 1994 and 1996 Congressional campaigns of Enid Greene Waldholtz; and (2) tax violations arising from the federal tax returns filed by Joseph Waldholtz separately, or jointly with Enid Greene Waldholtz, for the tax years 1992 through 1994, or from the 1993 federal tax return of Enid Greene Waldholtz; provided that he provides full information about all such matters pursuant to Section 6 of this Agreement.

The United States also agrees to dismiss all remaining counts of the Indictment at the time of sentencing.

By entering this agreement, the United States Attorney does not compromise any civil liability, including but not limited to any tax liability or liability to or regarding the Federal Election Commission, which he may have incurred or may incur as a result of his conduct and his plea of guilty to the charges specified in paragraph one of this agreement. Mr. Waldholtz agrees to cooperate with employees of the Civil Division of the Internal Revenue Service ("IRS"), the Civil Division of the United States Attorney's Office, the Federal Election Commission and law enforcement agents working with those employees, in making an assessment of his civil tax and FEC liabilities. Mr. Waldholtz specifically authorizes release to the agencies and divisions specified above of information in the possession or custody of the IRS or FEC and disclosure of matters occurring before the grand jury for purposes of making those assessments.

The United States agrees that, apart from the conduct described in Section 2 of this Agreement, there is no other conduct which the government will assert as constituting "relevant conduct" as that term is used in Section 1B1.3 of the Sentencing Guidelines for the purposes of Mr. Waldholtz's sentence.

The United States further agrees not to initiate any other civil or criminal forfeiture actions against any property which it currently knows to belong to Mr. Waldholtz or for which the government currently knows that Mr. Waldholtz is a stakeholder or

potential stakeholder. The Office of the United States Attorney for the District of Columbia further states that it is not aware of any existing criminal charges against Mr. Waldholtz or of any pending investigation in which Mr. Waldholtz is a target in any other federal judicial district. The Office of the United States Attorney further agrees to bring no additional charges for any violations or potential violations of the District of Columbia Code resulting from the above described conduct.

4. POTENTIAL PENALTIES AND ASSESSMENTS

Mr. Waldholtz understands that (1) for the felony offense of bank fraud, he may be sentenced to a statutory maximum term of imprisonment of not more than 30 years and fined not more than $1,000,000 (18 U.S.C. § 1344); (2) for the felony offense of making a false statement (18 U.S.C. § 1001), he may be sentenced to a statutory maximum of not more than five years and fined not more than $250,000 (18 U.S.C. § 3571); (3) for the misdemeanor offense of causing a false Federal Election Commission Report to be filed he may be sentenced to a term of imprisonment of not more than one year and a fine of not more than $25,000 or 300% of any contribution or expenditure involved in such violation (2 U.S.C. §§ 437g(d)(1)(A)) and 441); and (4) for the felony offense of willfully assisting in the filing of a false tax return he may be sentenced to a term of imprisonment for not more than three years and fined not more than $250,000 (26 U.S.C. § 7206(2)). Mr. Waldholtz also understands that he will lose claim of title to money and property in the amount of $14,900.

In addition, upon his release from incarceration, Mr. Waldholtz understands that he may be sentenced to a term of supervised release of not more than three years (18 U.S.C. § 3583). Pursuant to 18 U.S.C. § 3013, Mr. Waldholtz is required to pay a mandatory special assessment of $50 for each of his felony convictions and of $25 for his misdemeanor conviction. He agrees to pay this assessment at the time of sentencing. Mr. Waldholtz also may be sentenced by the court to a term of probation of not more than five years, 18 U.S.C. § 3561, and ordered to make restitution, 18 U.S.C. § 3556. The government and Mr. Waldholtz stipulate that there was no financial loss suffered by either FSB or CFCU and, therefore, agree not to ask the Court that Mr. Waldholtz be required to make restitution for the bank fraud.

Mr. Waldholtz also understands that a sentencing guideline range for his case will be determined by the Court pursuant to the provisions of the Sentencing Reform Act of 1984, see 18 U.S.C. § 3551 et seq.

In the event the Court imposes an unlawful sentence, or imposes a sentence outside the range provided by 18 U.S.C. § 3551 et seq., the parties agree that Mr. Waldholtz retains any and all

rights he may have to appeal or otherwise seek relief from any such sentence.

Mr. Waldholtz agrees that sentencing shall not take place until the government has determined that he has fulfilled his obligations under this agreement and that there is no longer a need for his cooperation. The government agrees that it will not unreasonably delay sentencing.

5. WAIVER OF CONSTITUTIONAL RIGHTS

Mr. Waldholtz understands that by pleading guilty in this case, he will be giving up the following constitutional rights: the right to be indicted by a grand jury for charges other than those in the present indictment, the right to plead not guilty, the right to a jury trial at which he would have the opportunity to present evidence, testify in his own behalf, cross-examine witnesses, and to be represented by counsel at any such trial. Mr. Waldholtz further understands that if he chose not to testify at such a trial, that fact could not be held against him. Mr. Waldholtz would also be presumed innocent until proven guilty, and the burden to do so would be on the government, which would be required to prove his guilt beyond a reasonable doubt. If Mr. Waldholtz were found guilty, he would also have the right to appeal his conviction. Mr. Waldholtz also understands that he is waiving his right to challenge the government's evidence that the property described in Count Twenty-eight of the Indictment constitutes the proceeds of specified unlawful activity as that term is used in 18 U.S.C. § 982.

6. PROVISION OF INFORMATION

Mr. Waldholtz agrees that he will cooperate completely, candidly, and truthfully with all duly-appointed investigators and attorneys of the United States, by truthfully providing all information in his possession relating directly or indirectly to all criminal activity and related matters which concern the subject matter of this investigation and of which he has knowledge. Mr. Waldholtz must provide information pursuant to this agreement whenever, and in whatever form, the United States Attorney's Office shall reasonably request. This includes, but is not limited to, submitting to interviews at such reasonable times and places as are determined by counsel for the government, providing all documents and other tangible evidence requested of him, and providing testimony before a Grand Jury or court or other tribunal. All costs of travel and expenses arising from any request by the government to provide assistance and cooperation pursuant to this paragraph will be borne by the government and not by Mr. Waldholtz.

7. INCARCERATION PENDING SENTENCING

The United States Attorney's Office waives its right to ask that Mr. Waldholtz be detained pending sentencing. The government agrees that, based upon the information currently known to it, Mr. Waldholtz poses neither a flight risk nor a danger to himself or the community as those terms are used in 18 U.S.C. § 3142. In the event the government becomes aware of any information to the contrary, the government will promptly notify Mr. Waldholtz, through his counsel, of such facts, and the reasons the government contends such facts would support a finding either of risk of flight or danger to the community. The government agrees not to oppose Mr. Waldholtz's request to remove court imposed restrictions on his travel within the United States and to permit him to travel domestically pending sentencing.

8. RESERVATION OF ALLOCUTION

To the extent not inconsistent with the factual recitation contained herein, the United States reserves the right to allocute fully at sentencing, to inform the probation office and the court of any facts it deems relevant, to correct any factual inaccuracies or inadequacies in the presentence report, and to respond fully to any post-sentencing motions. The government agrees that it will not seek an upward departure in Mr. Waldholtz's sentence.

9. SENTENCING GUIDELINES DETERMINATIONS

The parties understand that if Mr. Waldholtz completely fulfills all of his obligations under this agreement, the United States will recommend that he receive the benefit of a 3-level reduction in the sentencing guidelines' offense level, based upon his acceptance of responsibility within the meaning of § 3E1.1 of the United States Sentencing Guidelines ("USSG").

After the government has determined that there is no longer a reasonable need for Mr. Waldholtz's cooperation, the government (through the departure committee of this Office) will determine whether the factors set forth in U.S.S.G. §5K1.1(a)(1)-(5) have been satisfied. If the factors have been satisfied, the government agrees to file a motion on behalf of Mr. Waldholtz under U.S.S.G. §5K1.1, thus affording the sentencing judge the discretion to sentence Mr. Waldholtz below the applicable guideline ranges. Mr. Waldholtz understands that the government has sole discretion whether to file a motion on his behalf under Section 5K1.1 of the Sentencing Guidelines.

Mr. Waldholtz understands that the final determination of how the Sentencing Guidelines apply to this case will be made by the court, and that any recommendations by the parties are not binding on the court or the U.S. Probation Office. The parties

agree that the failure of the court or Probation Office to determine the sentencing range in accordance with the recommendations of his counsel or the government do not void the plea agreement, nor serve as a basis for the withdrawal of Mr. Waldholtz's guilty plea. In addition, in the event that, subsequent to this agreement, the government receives previously unknown information which is relevant to the above recommendation, the government reserves its right to modify its position regarding the recommendations. However, the government agrees that, in the event that it receives any such previously unknown information, it will promptly notify Mr. Waldholtz of the nature and source of this information in sufficient time to permit Mr. Waldholtz to respond to this information.

10. BREACH OF AGREEMENT

Mr. Waldholtz agrees that in the event he fails to comply with any of the provision of this Agreement, or refuses to answer any questions put to him, or makes any material false or misleading statements to investigators or attorneys of the United States, or makes any material false or misleading statements or commits any perjury before any grand jury or court, or commits any further crimes, this Office will have the right to characterize such conduct as a breach of this Agreement, in which case this Office's obligations under this Agreement will be void and it will have the right to prosecute Mr. Waldholtz for any and all offenses that can be charged against him in the District of Columbia, or in any other District or in any State. Any such prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this agreement may be commenced against Mr. Waldholtz in accordance with this paragraph, notwithstanding the running of the statute of limitations between that date and the commencement of any such prosecutions. Mr. Waldholtz agrees to waive any and all defenses based on the statute of limitations for any prosecutions commenced pursuant to the provisions of this paragraph.

11. USE OF INFORMATION

Mr. Waldholtz understands that, except in the circumstances described in this paragraph, this Office will not use against him any statements he makes or other information he provides pursuant to this plea agreement in any civil, criminal, or administrative proceeding, other than a prosecution for perjury, giving a false statement or obstructing justice.

Mr. Waldholtz agrees that, as provided by Rule 410, Federal Rules of Evidence: (a) the government may make derivative use of and may pursue any investigative leads suggested by any information which he provides pursuant to this plea agreement; (b) in the event Mr. Waldholtz is ever a witness in any judicial

proceeding, the attorney for the government may cross-examine him concerning any statements he has made or information he has provided pursuant to this plea agreement, and evidence regarding such statements and information may also be introduced in rebuttal; and (c) in the event of breach of this Agreement as described in the preceding paragraph, any statements made or information and leads provided by Mr. Waldholtz, whether subsequent to or prior to this Agreement, may be used against him, without limitation, in any proceedings brought against Mr. Waldholtz by the United States, or in any federal, state or local prosecution. Mr. Waldholtz knowingly and voluntarily waives any rights he may have pursuant to Fed. R. Evid. 410 and Fed. R. Crim. 11(e)(6), which might otherwise prohibit the use of such information against him under the circumstances just described.

12. NO OTHER AGREEMENTS

No agreements, promises, understandings or representations have been made by the parties or their counsel other than those contained in writing herein, nor will any such agreements, promises, understandings or representations be made unless committed to writing and signed by Mr. Waldholtz, his counsel, and an Assistant United States Attorney for the District of Columbia.

If your client agrees to the conditions set forth in this letter, please sign the original and return it to us.

Sincerely,

ERIC H. HOLDER, JR.
United States Attorney

By: William E. Lawler III
WILLIAM E. LAWLER, III
Assistant United States Attorney

Craig Iscoe
CRAIG ISCOE
Assistant United States Attorney

I have read this Agreement, have placed my initials on each page, and carefully reviewed every part of it with my attorney. I fully understand it and voluntarily agree to it. No agreements, promises, understandings or representations have been made with, to or for me other than those set forth above.

6/3/96
Date

Joseph P. Waldholtz
JOSEPH P. WALDHOLTZ

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I am Joseph P. Waldholtz's attorney. I have carefully reviewed every part of this Agreement with him and have placed my initials on each page of this Agreement. It accurately and completely sets forth the entire agreement between Mr. Waldholtz and the Office of the United States Attorney for the District of Columbia.

6/3/96
Date

PAMELA J. BETHEL, ESQUIRE

6/3/96
Date

BARBARA E. NICASTRO, ESQUIRE

ATTACHMENT 10

March 8, 1996

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: Amended Reports for Enid '96 and Enid '94
(FEC Identification Nos. C00264881 and C00263632)

Dear Members of the Commission:

Enclosed for filing please find the following amended reports for the above-referenced campaign committees:

(a) Amended 1995 mid-year report for Enid '96;

(b) Amended 1995 mid-year report for Enid '94;

(c) Amended 1994 calendar year report for Enid '94 (amending all of the 1994 regular reports for this Committee); and

(d) Amended 1993 year-end report for Enid '94 (covering the period from October 15, 1993, when the first activity related to the 1994 campaign began, through December 31, 1993).

I am also enclosing for your review a letter prepared by the Committees' accounting firm, Coopers & Lybrand, L.L.P., which undertook the forensic accounting procedures necessary to reconstruct and verify, to the extent possible, the data included in these reports. The enclosed reports are qualified in their entirety by the limitations and qualifications stated in their letter.

Because of the absence of financial records for the Committees for the period of time when they were controlled by their former treasurer, Joseph P. Waldholtz, and the limitations on access to information and accounts belonging to other persons, reconstruction of the records of these Committees for these reports required forensic procedures which were detailed, complex and time-consuming. Thus, I requested that Coopers & Lybrand concentrate first on reconstructing records relating to the period during which Mr. Waldholtz as treasurer had control over the finances of the Committees and responsibility for the filing of accurate FEC reports. As a result, those reports cover the entirety of the time related to

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Paid for by Enid '96

periods prior to July 1, 1995. According to Coopers & Lybrand, these amendments are only correct information not available in existing campaign records at the time of the January 31, 1996, filing. The amendments will be filed as soon as Coopers & Lybrand completes its adjustments.

The amended reports also address the Commission's recent requests for additional information regarding the 1995 mid-year reports filed by Mr. Waldholtz for both Enid '96 and Enid '94. In an October 24, 1995 letter to Mr. Waldholtz, Ginger Campbell of the Commission noted that her review of the 1995 mid-year report for Enid '96 showed a discrepancy in the aggregate year-to-date totals. The amended 1995 mid-year report for Enid '96 filed today corrects this discrepancy.

Similarly, an October 20 letter from Peter Kell of the Commission to Mr. Waldholtz noted that the 1995 mid-year report for Enid '94 showed that Enid '94 had received contributions after the 1994 General Election that were designated for that election. Mr. Kell pointed out that Enid '94 could accept such contributions only to the extent that Enid '94 had net debts remaining from that election. The year-end report for Enid '94 filed today shows that Enid '94 in fact owed various creditors one hundred and ten thousand, one hundred and thirty-two dollars ($110,132) at the end of 1994 and, accordingly, was entitled to continue to raise funds in the first half of 1995 to pay off those debts.

Finally, simultaneously with this filing, counsel to the Committees is filing with the Commission a complaint against the former treasurer, Joseph P. Waldholtz, on my behalf as the current treasurer and on behalf of the two Committees. It is hoped that the Commission will promptly undertake an investigation pursuant to this complaint. It should be noted that, as stated in the complaint, funds belonging to the Committees apparently have been transferred to accounts to which neither the Committees nor I have access because of bank privacy laws. Therefore, the enclosed reports do not and cannot include transactions made in

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As always, I am ready to assist the Commission in any way possible to thoroughly resolve these matters.

Sincerely,

Enid Greene Waldholtz

Enid Greene Waldholtz
Treasurer, Enid '94 and Enid '96

Enclosures

cc: Clerk, U.S. House of Representatives
Elections Division, State of Utah (certified mail/return receipt requested)

Coopers & Lybrand

March 8, 1996

The Honorable Reid Cumma Waldheim
Treasurer, Reid '94 and Reid '96

Re: Subject: [redacted]

Dear Mr. Waldheim:

The Reid '94 and Reid '96 Campaign Committees ("Committees") have retained Coopers & Lybrand L.L.P. to provide forensic accounting assistance in its preparation of the following amended FEC Reports:

(a) Amended 1995 mid-year report for the Reid '96 Campaign Committee;

(b) Amended 1995 mid-year report for the Reid '94 Campaign Committee;

(c) Amended 1994 calendar year report for the Reid '94 Campaign Committee (amending all of the 1994 amended reports for this Committee); and

(d) Amended 1993 year-end report for the Reid '94 Campaign Committee.

This letter provides supplementary information to you as Treasurer of the Committees in connection with the filing of these reports, based on the forensic procedures performed by us to the date of this letter.

As we have reported to you earlier, due to the disarray of the financial records of the Committees during the period of time in which they were controlled by former Treasurer, Joseph P. Waldheim, we have had to use forensic accounting procedures to substantially reconstruct the financial records of both Committees. These records involved reconstructing thousands of transactions and we conducted this reconstruction in just over two months. The forensic accounting procedures performed included:

- Obtaining copies of original detailed source level financial records from third party financial institutions to determine sources of funds for and expenditures by the Committees;

- Making the proper polling records of the disbursements for the above purposes;
- Dealing consultants with payroll and other employee matters to supplement information defined with the documents, particularly in verifying campaign vendors;
- Sampling and confirmation procedures performed on selected campaign vendors including obtaining vendors by phone;
- Contacting campaign contributors by phone or mail; and
- Entering all verified data into computer databases for analysis, tracing of funds and preparation of various informational reports.

Because of the intensity of effort and time required to reconstruct the Committees' records by these forensic procedures, you requested us to limit concentration on those campaigns for which Mr. Weddington served as the Treasurer of the Committees and was in control of their finances — that is, the campaigns ending in the 1992 and 1996 elections. We then understand that you had performed Treasurer functions during the 1990 Campaign (in fact 1989 and early 1990). Moreover, recall that the first activities relating to the 1992 election appear to have occurred in October 1990. Accordingly, we have proceeded on which could be use that month as the beginning of the 1992 campaign, although the related campaign activities did not change its name to Reid '92 until September 20, 1991. Therefore, a 1990 year-end report for Reid '92 has been prepared using a wind-up date of October 15, 1990.

As your request, we also are in the process of preparing information for two additional amended FEC Reports regarding the earlier 1990 Reid Gentry to Congress Committee (i.e., calendar year 1991 and calendar year 1990). Information for these two separate Amended Reports will be provided to you as soon as is practical. In addition, in our letter to you (and mentioned in your letter to the FEC) in connection with the filing on January 31, 1996 of the year-end 1995 reports for the Committees, we pointed out that the cumulative to date data in those reports may have to be revised because they depended upon information for earlier periods as to which we had not then completed our forensic reconstruction. As expected, we have subsequently found, through additional forensic accounting procedures, additional/new information relating to those earlier periods which affects the cumulative data included in those year-end reports. Therefore, amendments to those reports will be required for the purpose of reporting the newly identified information. We will provide you with the information for those amendments shortly.

We should be aware that reconstruction of the Committees' records by these forensic methods represents the best available financial data on the Committees' financial activity for the time period from November 17, 1993, until June 30, 1995. However, this reconstruction was and is qualified by a number of factors which limited the information available and its verification:

- We had no access to the Campaigns' former Treasurer, Mr. Weidhaupt, who also signed most of the original FEC Reports.

- We have not been able to speak with the former Assistant Treasurer of Reid '94, Mr. Raylin Loveland, who also signed two of the original FEC Reports (i.e. year-end 1993, and 1st quarter 1994).

- Because of the bank privacy laws, we had no access to the personal financial accounts of Mr. Weidhaupt, or funds in the names of his relatives to which funds of the Committees were transferred. This also included Mr. Weidhaupt's own personal credit card transcripts on which expenses of the Committees were or could have been paid.

- Because of the bank privacy laws, we also had no access to the personal credit card accounts of other campaign workers from which expenses of the Committees were, or could have been, paid, except for limited pages of financial data on these individuals' financial records provided to us and represented to us as being found among Mr. Weidhaupt's papers after he fled in November, 1995.

- While we did have access to the original FEC Reports, we found such a large number of discrepancies, errors, omissions and inaccuracies in these reports that we concluded that we could not rely on them.

Although forensic procedures were used to obtain and verify information, these limitations must be considered in analyzing the information contained in the Amended Reports. Three areas where these limitations require particular qualification are:

(1) Campaign Obligations - We have performed forensic testing procedures on the available disbursement and invoice information and used the procedures described above to provide information for the relevant obligation schedule of the reports, identify as many creditors and vendors as possible and verify any debts or obligations to them. However, due to the lack of basic campaign accounts payable/debt information; a similar lack of invoices and the

[illegible] Weldhofer
[illegible] Field '94 and Field '96
[illegible]

limitations stated above, we cannot be sure that the obligation schedules contain all reportable outstanding debt of the Committees as of the various reports' cut-off dates.

(2) Campaign Expenses From Personal Accounts - We have found a large number of transfers in which Mr. Weldhofer paid campaign expenses from joint personal checking accounts totaling for all reports being filed over $300,000 from accounts over which you have told us he had control. We have identified that such expenditures were made not only to satisfy outstanding campaign vendors but also to pay certain salary amounts to campaign workers. However, because of the limitations listed in the above paragraphs, we cannot be sure we have identified all such payments. For example, Mr. Weldhofer may have charged campaign expenses on a personal credit card, and because bank privacy laws do not allow us access to his personal credit card statements, we were unable to determine if these accounts were used for campaign purposes. We have, however, identified payments to a campaign worker (i.e., Ms. Lentilhoff) and to vendors (e.g., Power Computer) apparently made from Mr. Weldhofer' personal accounts for which we have no data. Mr. Weldhofer may have checking and other accounts which were not found.

(3) Campaign Expenses for Payroll and Payroll Taxes/Benefits - To the extent possible, we have analyzed both the available campaign and personal accounts to identify all such campaign payroll and payroll tax/benefits payments. However, because of the limitations listed above and because we did not have the ability to speak with all individuals who were campaign workers and whom received payments from known personal accounts belonging to Mr. Weldhofer, we cannot be sure we have identified all payroll and payroll taxes/benefits incurred by the Committees.

The state of the Committees' financial records as described above and lack of any financial statements for the Committees prepared by the Committees' personnel also precluded performance of an audit in accordance with generally accepted auditing standards as there was, in effect, no campaign financial statements to audit. For these reasons, we were not engaged to and could not have prepared an audit of the Committees' financial statements. Thus, no audit opinion is expressed herein.

Attachments A through E to this letter contain additional detailed information, categorized by year, on our significant findings made during the forensic reconstruction process. The information contained in the Amended Reports and discussed in the attached schedules reveal

The Honorable Bold Greene Waldholtz
[illegible], Bold '94 and Bold '96
[illegible] 6, 1996
Page 8

On the previously filed FEC Reports for the same time periods, prepared while Mr. Waldholtz was in control of the Committees' finances as Treasurer and signed by either him or Mrs. Lowdenl, contain significant errors and omissions and are not accurate reflections of either of the Committees' actual financial activity. The following are summary examples of inappropriate and erroneous campaign financial reporting and serious campaign financial problems which occurred under the control or supervision or with the authorization of the Committees' former Treasurer, Mr. Waldholtz.

- Inappropriate transferring of over $1.75 million in funds to the Bold '94 Committee, apparently authorized by Mr. Waldholtz, from personal accounts that did not hold sufficient personal assets of the candidate or Mr. Waldholtz to fund such transfers.

- Spending funds of the Committees, either apparently authorized by Mr. Waldholtz or through checks signed by him, which have no identifiable campaign purpose.

- Transfers of funds of the Committees by Mr. Waldholtz to accounts in the names of his relatives.

- Numerous transfers of funds between the Committees' accounts and personal accounts, including the depositing of contribution checks into a personal account and of campaign contributions into personal accounts.

- Reporting of alleged contributors to the Committees who either were fictitious or for whom we could find no contributed funds in campaign accounts (i.e., "ghost contributors").

- Failing to correctly report and refund corporate donations received.

- Incorrectly reporting contributions received.

- Inaccurately reporting the "cash on hand" balances of the Committees.

- Failing to properly report actual operating expenditures made by the Committees.

- Incorrectly reporting contributions as being from the candidate.

- Spending over $300,000 in funds directly from personal accounts for campaign purposes, which also were not available from the candidate's personal assets.

[illegible]

We have provided this information to you and [illegible] for the [illegible], Powell, Goldstein, Frazer & Murphy for [illegible].

Please do not hesitate to call me at [illegible] should you have any questions regarding this letter, its attachments, or the [illegible] Independent Reports.

Sincerely,

[illegible] A. [illegible]

[illegible]
Partner for the Firm
of [illegible] & [illegible] L.L.P.

Attachment D
March 4, 1996

Mid-Year 1996 Report (1/1/95-6/30/95) - Enid '96

Most significant findings refer to the amended FEC Report covering the Enid '96 Committee's financial activity during the period January 1 to June 30, 1995.

Significant Findings

- **We found $13,592 in questionable receipts in this period. This was a single transfer of funds from a joint personal account under the apparent control of Judge Wahlheim to a campaign account. This amount was also clearly in excess of the amount Mr. Wahlheim was allowed to contribute to the campaign. We also found insufficient personal funds of the candidate in this account to fund this transfer. This account received a wire transfer from D. Fosbur Greene in January 1995. We believe the $13,592 was not a valid contribution. It also corresponds in exact amount to a disbursement made the same day to a valid campaign vendor.**

- **We found that Mr. Wahlheim had apparently authorized a $2,000 wire transfer of campaign funds to an account in the name of Rebecca Lowman (his granddaughter). This transfer had no identifiable campaign purpose and has been questioned by us. The $2,000 was wired from the Committee's account to an account at Pittsburgh National Bank on May 23, 1995.**

- **We found three additional instances in which funds were transferred from the Committee's account at First Security to a joint personal checking account at the Congressional Federal Credit Union (CFCU) in Washington, D.C., apparently controlled by Mr. Wahlheim.**

  The amounts transferred were $3,000, $2,000 and $3,000. All three checks were signed by Mr. Wahlheim and were made payable to the candidate. None of them were endorsed by her. Two of the checks contain "dep. only" markings, which the candidate has stated to us are not in her handwriting. All three checks were deposited into CFCU account #106412. Two of the checks contain a notation "reimbursement", but the candidate does not recall requesting or receiving any such reimbursements. No such reimbursement documentation was located in available campaign financial records.

- **We also found more than a dozen different disbursements totaling approximately $13,300, from the Committee by debit memo (i.e., internal bank transfer) or counter check. None of these had an identifiable campaign purpose. In most of these instances, the funds disbursed by the debit memo were transferred to a personal joint checking account at First Security Utah.**

[illegible] Letter to
[illegible] Walldorfer

These debit memos were apparently authorized by Mr. Waldorfer. Another two disbursements were counter checks for $500 that were signed by Mr. Waldorfer and were cashed at First Security. We could not find these amounts deposited into any known personal accounts.

- We found an additional $4,000 check paid by the candidate from a personal account to a valid campaign vendor for campaign purposes. This payment should be recorded as an unreimbursed advance. Although such campaign advances are allowable, they should be reimbursed within thirty days and be reported. This advance was not reported by the Campaign Treasurer though the candidate stated to us she thought this was a permissible advance and was to have been reported. The Committee, of course, can choose to dispute this advance obligation.

- We found the original mid-year 1996 FEC Report signed by Mr. Waldorfer had continuously reported "cash on hand." For example, "cash on hand" as of June 30, 1995, for the Committee was reported to be approximately $67,500. We found the Campaign's actual "cash on hand" book balance at that time to be approximately $2,000 negative. Operating expenditures were underreported by approximately $19,000 and contributions were overreported by approximately $28,500 (possibly due to thereporting of "unitemized contributions" -- i.e., those under $200 not individually reported -- we could not find such amounts in the Campaign's bank accounts).

SCHEDULE A [illegible]

[illegible]

FOR LINE [illegible]

[illegible]

[illegible]	[illegible]		
[illegible]	Occupation CONSULTANT		
[illegible]		Date (month, day, year)	Amount of Each Receipt this Period
		3/21/96	[illegible]
[illegible] Vendor.			
[illegible]	11,591.79		

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)