

# Gregory Wright

Indianapolis, Indiana 46228

FEDERAL ELECTION  
COMMISSION

2012 APR 10 PM 1:23

OFFICE OF GENERAL  
COUNSEL

April 4, 2012

Federal Election Commission  
Office of General Counsel  
Federal Election Commission  
999 "E" Street, NW  
Washington, D.C. 20463

RE: Complaint and Request for Investigation, Friends of Dick Lugar, Inc.

Dear Sir:

MUR # 6553

This letter is for the purpose of filing a complaint and requesting an investigation of possible illegal use of government funds for political travel by U.S. Senator Richard Lugar.

As you can see from the attached news articles, Senator Lugar has recently admitted that his Senate office improperly paid for thousands of dollars of hotel stay that he incurred in the State of Indiana due to the fact that he does not maintain a residence in the state he represents in the Senate. He also admitted that it is possible that this "error" may extend all the way back to 1978, the year he took office.

In addition to the implications under Senate Ethics rules, I believe there may also be campaign finance law violations involved as well. As you can see from the enclosed memo dated March 22, 2012, much of the government paid travel for which Senator Lugar was reimbursed with official funds over the past two years related to trip back to Indiana from Washington, D.C. which appeared to coincide with widely publicized political fundraising events for Senator Lugar's re-election campaign.

I respectfully request that the Federal Election Commission investigate Senator's Lugar's official travel and determine whether his campaign must reimburse the federal government for all or part of the travel related to these and any other political events.

I hereby certify that the above information is true to the best of my knowledge.

W. Gregory Wright  
Walter Gregory Wright,  
Certified Fraud Examiner

Subscribed and sworn to before me this 4<sup>th</sup> of Apr 2012.

Ronda A. Walker  
Notary or other Official Administering Oath

RONDA A. WALKER, NOTARY PUBLIC  
MY COMMISSION EXPIRES: 11/20/2015  
COUNTY OF RESIDENCE: MARION

11-20-20  
My Commission Expires:

# Did Senator Lugar Use Taxpayer Money for Political Travel?

March 22, 2012

## **Background:**

It appears that Senator Richard Lugar has not maintained a residence in Indiana since 1977. While serving as a U.S. Senator from Indiana for the last 35 years, he owned a home in McLean, Virginia. The Marion County Election Board (Indiana) recently ruled that Senator Lugar had abandoned his 3200 Highwoods Court Indiana residence.

Therefore, when Mr. Lugar does travel back Indiana, he is often reimbursed by the federal government for his travel expenses. During the first nine months of 2011 alone, it appears that Senator Lugar was reimbursed by the federal government for \$5,076.70 for travel expenses associated with visits to Indiana. Recently, several Indiana news outlets have reported that Sen. Lugar has been reimbursed for over \$50,000 in travel expenses associated with trips to Indiana in the last 21 years.

<http://www.journalgazette.net/article/20120210/LOCAL08/302109982/1002/LOCAL>

This federal reimbursement may be contrary to federal law. Because, under the Hatch Act, it appears to be illegal for an elected official to use or be reimbursed by taxpayer resources while conducting political activity. Due to the fact that Senator Lugar's travel reimbursements are not itemized, we do not know for certain if their Senator is using federal tax dollars to conduct political activity.

The findings below suggest the possibility that, during the first nine months of 2011, Senator Lugar was reimbursed for thousands of dollars of travel expenses that may have been incurred in conjunction with political activity. This may justify further scrutiny.

## **Potential Political Activity During Reimbursed Travel:**

*January 20, 2011 – January 23, 2011*

*Washington, D.C. to Indianapolis and Return*

*Total Reimbursed: \$393.73*

Senator Lugar appears to have been reimbursed for a three day trip from Washington, D.C. to Indianapolis in late January 2011. During his time in Indiana, it may be that Senator Lugar attended a campaign fundraiser for his re-election bid in Carmel, Indiana on January 21, 2011.

Source:

<http://www.journalgazette.net/article/20110118/NEWS07/110119502/1044/LOCAL08>

*May 31, 2011 – June 4, 2011*

*Washington, D.C. to Indianapolis and Return*

*Total Reimbursed: \$513.36*

Senator Lugar appears to have been reimbursed for a five day trip from Washington, D.C. to Indianapolis in late May or early June 2011. During his time in Indiana, it may be that

Senator Lugar attended meetings at his campaign headquarters on June 1st, and attended an NRSC/NRCC event in Evansville on June 4, 2011.

Source: <http://www.flickr.com/photos/dicklugar/5812168987/in/photostream>

Source: <http://www.flickr.com/photos/dicklugar/5808832495/in/photostream>

**August 24, 2011 – September 2, 2011**

***Washington D.C. to Indianapolis and Return***

**Total Reimbursed: \$551.14**

Senator Lugar appears to have been reimbursed for a nine day visit from Washington, D.C. to Indianapolis in late August or early September, 2011. During his visit to Indiana, it may be that Senator Lugar attended a fundraiser for his re-election campaign in Kokomo, Indiana.

Source:

[http://www.politico.com/blogs/davidcatanese/0911/No\\_GOP\\_welcome\\_mat\\_for\\_Lugar\\_in\\_Kokomo.html](http://www.politico.com/blogs/davidcatanese/0911/No_GOP_welcome_mat_for_Lugar_in_Kokomo.html)

**Other Reimbursed Travel**

**June 25, 2011 – June 26, 2011**

***Washington, D.C. to Indianapolis and Return***

**Total Reimbursed: \$162.83**

Senator Lugar appears to have been reimbursed for a one day visit from Washington, D.C. to Indianapolis in late June 2011. During his time in Indiana, it may be that Senator Lugar attended a political event in conjunction with his re-election campaign in Hamilton County Indiana.

Source: <http://www.flickr.com/photos/dicklugar/5961582095/in/photostream>

**July 3, 2011 – July 5, 2011**

***Washington, D.C. to Indianapolis and Return***

**Total Reimbursed: \$813.13**

Senator Lugar appears to have been reimbursed for a two day visit from Washington, D.C. to Indianapolis in early July 2011. During his visit to Indiana, it may be that Senator Lugar attended a political event in conjunction with his re-election campaign in Syracuse, Indiana.

Source: <http://www.flickr.com/photos/dicklugar/5965052860/in/photostream>

**July 8, 2011 – July, 10 2011**

***Washington, D.C. to Indianapolis and Return***

**Total Reimbursed: \$817.78**

Senator Lugar appears to have been reimbursed for a two day visit from Washington, D.C. to Indianapolis in early July of 2011. During his visit to Indiana, it may be that

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Senator Lugar attended a political event in conjunction with his re-election campaign in Morgan County.

Source: <http://www.flickr.com/photos/dicklugar/5962249974/in/photostream>

**August 24, 2011 – September 2, 2011**

**Washington D.C. to Indianapolis and Return**

**Total Reimbursed: \$551.14**

Senator Lugar appears to have been reimbursed for a nine day visit from Washington, D.C. to Indianapolis in late August/early September of 2011. During his visit to Indiana, it may be that Senator Lugar attended a fundraiser for his re-election campaign in Kokomo, Indiana. Further, it may be that between August 25<sup>th</sup> and August 26<sup>th</sup>, Senator Lugar attended political events in conjunction with his re-election campaign in Indianapolis, Columbus, Indiana, and Allen County, Indiana.

Source:

[http://www.politico.com/blogs/davidcatanese/0911/No\\_GOP\\_welcome\\_mat\\_for\\_Lugar\\_in\\_Kokomo.html](http://www.politico.com/blogs/davidcatanese/0911/No_GOP_welcome_mat_for_Lugar_in_Kokomo.html)

Source: <http://www.flickr.com/photos/dicklugar/6100670531/in/photostream>

Source: <http://www.flickr.com/photos/dicklugar/6094321774/in/photostream>

Source: <http://www.flickr.com/photos/dicklugar/6097820604/in/photostream/>

## Newsmax

### Lugar Pays \$14K to Treasury for Unpaid Hotel Bills

Sunday, April 1, 2012 03:35 PM

After a Senate investigation into travel disbursements revealed he had improperly billed taxpayers over 35 years, Sen. Dick Lugar is writing a check for more than \$14,000 to the federal Treasury.

The Indiana Republican said Friday that the probe by the Senate's disbursing office found he had improperly billed for hotel stays for all but seven years during his time in office, amounting to \$14,684.85, Politico reported.

It was Politico's inquiry into Lugar's travel billing that prompted the disclosure.

"Your office has compiled a comprehensive list documenting cases in which I incurred per diem expenses during trips that included a stop in Indianapolis ... during August recess periods and sine die adjournments," Lugar said in a letter to Christopher Doby, financial clerk of the Senate. "Vouchers for per diem expenses incurred in the Indianapolis area during these periods should not have been submitted or paid, even though they all pertained to official business."

The disclosure is likely to boost rival Richard Mourdock, who is facing off against Lugar in a tough GOP primary contest in May. Mourdock has has accused the senior senator of being out of touch with the state since he has not owned a residence there since 1977.

The Washington watchdog group Citizens for Responsibility and Ethics in Washington filed a Senate ethics complaint on Thursday for Lugar's failure to abide by Senate rules for travel disbursements. Lugar's camp called the complaint politically motivated.

Lugar's office has said he's billed the Treasury for about \$70,000 in hotel costs over the past 35 years — but those charges were allowed under Senate rules because they occurred in periods when the Senate was in

session.

Senate guidelines require senators to certify his or her "usual place of residence" in their home state as a so-called duty station during periods of Senate adjournment. During those periods, a senator is not allowed to use official funds within the duty station's region to cover hotel costs, a problem for Lugar since he no longer owns a home there. Lugar has certified his duty station to be at the Indianapolis house he sold in 1977.

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# POLITICO

## Lugar repays feds \$14K

By Manu Raju

March 30, 2012 05:50 PM EDT

Sen. Dick Lugar is paying back more than \$14,000 to the federal Treasury — three times his earlier estimate — after a closer review of his 35-year career found he owed additional money for hotel stays in the Indianapolis area.

The Indiana Republican said Friday that an investigation by the Senate's disbursing office initiated at his request found he improperly billed taxpayers for his hotel stays for all but seven years during his time in office, amounting to \$14,684.85. He cut a personal check paying that amount on Friday.

"Your office has compiled a comprehensive list documenting cases in which I incurred per diem expenses during trips that included a stop in Indianapolis ... during August recess periods and sine die adjournments," Lugar said in a letter to Christopher Doby, financial clerk of the Senate. "Vouchers for per diem expenses incurred in the Indianapolis area during these periods should not have been submitted or paid, even though they all pertained to official business."

Lugar suggests he paid more back to the Senate out of caution. Lugar's admission came after he acknowledged last week that he erroneously billed taxpayers \$4,500 for hotel stays after a review by his staff of records dating to 1991. He began the inquiry after POLITICO asked about the matter, and later acknowledged the errors.

The Washington watchdog group Citizens for Responsibility and Ethics in Washington filed a Senate ethics complaint on Thursday for Lugar's failure to abide by the rules. Lugar's camp called the complaint politically motivated.

The disclosure will likely only add fuel to the fire ahead of his tough May primary challenge against state Treasurer Richard Mourdock, who has accused the senior senator of being out of touch with the state since he has not owned a residence there since 1977. If he loses his primary, Democrats believe they'll have renewed life in the red

state, with Rep. Joe Donnelly as their candidate.

The issue over his residence has been an unwelcome distraction for Lugar. He lives in McLean, Va., in the Washington suburbs, and stays at hotels and with friends when he visits the state. On Friday, Lugar reached a settlement with the Marion County election board allowing him to vote in the state as long as he's registered at a farm owned by his family for years.

He had previously registered to vote in the Indianapolis house he sold in 1977, something he said was permitted by a state law allowing public officials to reside outside the state during their time in service.

After being contacted by POLITICO, Lugar's office said the senator requested a comprehensive review of the records and found that in a handful of cases during periods of adjournment, taxpayers should not have paid for his stays at various hotels.

Lugar's office has said he's billed the Treasury for about \$70,000 in hotel costs over the past 35 years — but those charges were allowed under Senate rules because they occurred in periods when the Senate was in session.

The latest errors revolve around Senate guidelines requiring senators to certify his or her "usual place of residence" in their home state as a so-called duty station during periods of Senate adjournment. During those periods, a senator is not allowed to use official funds within the duty station's region to cover hotel costs, a problem for Lugar since he no longer owns a home there. Lugar has certified his duty station to be at the Indianapolis house he sold in 1977.

After being asked about the matter, Lugar said he did not know that there were different rules during extended recesses, and attributed the errors to staff mistakes.

Lugar's camp has criticized Democrats and Mourdock for pushing the residency story to tarnish the standing of the respected senior senator and divert attention from more pressing issues in the race.

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# POLITICO

## Lugar to repay hotel expenses

By: Menu Reju  
March 21, 2012 11:38 PM EDT

Indiana Sen. Dick Lugar's residency problems just grew more uncomfortable: He's reimbursing the Treasury for erroneously billing taxpayers for a series of hotel stays in Indianapolis in recent years.

The long-serving Senate Republican said because of staff errors, taxpayer money was improperly used to pay for about \$4,500 in hotel expenses over the past decade.

After an inquiry from POLITICO, Lugar's office investigated and acknowledged the issue, and the senator is now taking steps to repay the money.

"I was unaware of routine staff work over the course of several years where we may have made mistakes," Lugar said Wednesday. "I'm sorry that I was not more observant."

Lugar also tapped his Senate office account to pay about \$70,000 in other hotel costs over the course of his 35-year career, his office said. But Lugar was allowed to use that account in those instances because the Senate was in session.

Lugar has come under withering criticism from his Republican primary and Democratic opponents for living outside the state since 1977. His campaign responded in an ad this week to what Lugar calls "Mickey Mouse" attacks.

He is now consulting with the Senate's disbursement office to determine whether the reimbursements should be paid for out of pocket or through his reelection campaign account.

Since records were only available dating to 1991, Lugar said "it's conceivable" that the problems stemmed throughout the breadth of his career, which started in 1977. But he insisted the problem occurred "infrequently," attributing the issue to staff members over the years handling the issue differently.

The latest snafu revolves around an obscure set of Senate guidelines requiring senators to certify his or her "usual place of residence" in their home state as a so-called duty station during periods of Senate adjournment. During those periods, a senator is not allowed to use official funds within the duty station's region to cover hotel costs, a problem for Lugar since he no longer owns a home there. Lugar has certified his duty station to be at the Indianapolis house he sold in 1977 — the same property in which he's currently registered to vote.

After being contacted by POLITICO, Lugar's office said the senator requested a comprehensive review of the records and found that in a handful of cases during periods of adjournment, taxpayers should not have paid for his stays at various hotels, such as the Holiday Inn near the airport and others.

"I was not even aware of the term 'duty station' until all of this arose," Lugar said Wednesday.

Melanie Sloan, head of the Citizens for Responsibility and Ethics in Washington, said that while Lugar may have been unaware of the situation, blaming it on staff is not a "sufficient excuse." Lawmakers, she said, have a "personal responsibility" to make sure they are complying with the rules.

"Read the rules," Sloan said.

Lugar sold his Indianapolis house after he joined the Senate in 1977, and he's maintained a residence with his wife, Charlene, in the Washington suburb of McLean, Va., ever since.

While many senators have dual residences, Lugar's staff has said that the frugal senator has maintained one home in the Washington area to save cash. The Center for Responsive Politics ranks Lugar in the bottom one-third of senators in terms of wealth, with a minimum net worth in 2010 of \$283,019 and maximum net worth of \$1.1 million.

While the issue of Lugar's residency has come up throughout his career, never has it threatened his political career as it is now. Last week, Lugar lost a case before a Marion County election board, which ruled 2-1 that the senator and his wife could not use their old address to register to vote in the state. Lugar promised to fight the ruling and has

filed an appeal, but if that fails, as many expect, the senator may take the case to the state Supreme Court.

The decision did not remove Lugar from the ballot, and he appears likely to stay on the May ballot after the Indiana Election Commission ruled 4-0 in his favor late last month.

But the issue has become an unwelcome distraction for Lugar, who was already facing charges from tea party activists and Democrats that he's grown out of touch with his state. He is facing a May primary challenge from state treasurer Richard Mourdock, who has cited the residency issue in his increasingly competitive bid.

"I think there's a sense of disgust on the part of voters in Indiana that this is not only trivial," Lugar said, "but it is such a personal attack and has so little relevance to the jobs issue that is so overwhelming that it will be harmful to my opponent."

Andy Fisher, the Lugar spokesman, insisted his boss is "very meticulous" about how federal dollars are spent, saying that \$5.4 million in unspent office funds has been returned to the Treasury over the years.

But previewing attacks from his opponents, Matt Thornton, a spokesman with the Democratic firm American Bridge 21st Century, which is tracking the race, said it's a "shame" Lugar had to get "caught" to pay back taxpayers.

"The simple fact is this issue would never have happened if Lugar actually lived in the state," Thornton said.

One of his party's most respected voices on foreign policy, Lugar is part of an old-school brand of senators who are open to working across the aisle even if it irks elements of his base. He supported the Wall Street and auto bailouts, earmarks and President Barack Obama's Supreme Court nominees — all of which his opponents have seized on.

But in a career that's spanned more than 12,000 votes, Lugar has more often than not sided with his own party — a fact he's strenuously pointing out as he attacks Obama's health care law and Keystone XL pipeline decision.

The stakes are huge. If Lugar loses his primary, Democrats may have renewed life in the red state, with Rep. Joe Donnelly as their challenger. And with a closely contested battle

this year for control of the Senate, one seat could determine which party is in the majority.

In the face of the growing attacks, Lugar is hoping to tap into the goodwill he's built in the state as the grandfather of Hoosier politics.

"My opponent is focusing on disenfranchising me," he said Wednesday.

John Bresnahan contributed to this report.

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