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**OSHKOSH TRUCK CORPORATION EMPLOYEES'
POLITICAL ACTION COMMITTEE**
2307 OREGON ST., BOX 2566, OSHKOSH, WI 54903-2566

September 8, 1997

Ms. Jennifer K. Wall
Reports Analyst
Federal Election Commission
Washington, DC 20463

Dear Ms. Wall:

In response to your audit letters dated August 13, 1997, enclosed please find the amended quarterly reports for the Oshkosh Truck Corporation Employees' Political Action Committee ("OTCEPAC").

The OTCEPAC was formed by the professional, salaried employees of Oshkosh Truck Corporation ("OTC") in July, 1995. Russell L. Steinhorst was elected its first Treasurer and served as such from the organizational inception of OTCEPAC until April 4, 1997, when he left Oshkosh Truck Corporation for employment elsewhere. During this same period I, Tom Johnson, held the office of Assistant Treasurer and upon Mr. Steinhorst's departure accepted the position of Treasurer. While I was Assistant Treasurer, I performed no work for OTCEPAC except as noted below. The duties of the treasurer included sole responsibility of the checkbook.

During his tenure as Treasurer of OTCEPAC, from July, 1995, to April, 1997, Russell L. Steinhorst took without authorization \$4300.00 from the OTCEPAC for personal use and furthermore, used the books of accounts of the OTCEPAC to take the additional sum of \$2050.00 from his employer, Summit Performance Systems, Inc. (a subsidiary of Oshkosh Truck Corporation). In order to hide the withdrawal of these funds, Mr. Steinhorst filed inaccurate (FEC FORM 3X) quarterly reports on behalf of OTCEPAC for the filing periods of: July 15, 1996, October 15, 1996, November 5, 1996, and January 31, 1997.

As the new Treasurer of OTCEPAC, one of my first responsibilities was the preparation of the July 15 quarterly FEC FORM 3X, detailing all donations and expenses. All previous Form 3X reports had been prepared and filed by Mr. Steinhorst, with the exception of the March, 1997, filing which was prepared by me based upon supporting detail provided by Mr. Steinhorst.

During the preparation of the detail for the July 15, 1997, filing, I noted a number of irregularities within the OTCEPAC checkbook register previously kept by Mr. Steinhorst. These irregularities included missing check register entries, missing check carbons, and suspicious dollar amounts on checks clearing the bank. Further review found the following:

OTCEPAC IS A QUALIFIED MULTY-CANDIDATE COMMITTEE

1. Three checks recorded as "Void" in the check register had actually been written to "CASH" and had cleared the bank -

Check Number	Amount	Date
513	\$ 300	May 20, 1996
528	2050	November 15, 1996
529	200	December 3, 1996

2. One check missing from the check register had been written to "CASH" and had cleared the bank -

Check Number	Amount	Date
519	\$2800	August 15, 1996

3. One check recorded as being "Reissued" to the "Friends of Bob Livingston" had been written to "CASH" and had cleared the bank -

Check Number	Amount	Date
531	\$1000	March 31, 1997

The total disbursement for the five checks in question was \$6,350.00. However, our review also identified one questionable deposit recorded on November 11, 1996, for \$2,050.00. I later found that this deposit was actually an unauthorized check drawn from the accounts of Summit Performance Systems (Summit), a subsidiary of Oshkosh Truck Corporation, based upon the manual signature of Russell Steinhorst as an authorized check signer of Summit. There was no business purpose nor authorization for the transfer of funds from Summit to OTCEPAC. These funds were immediately withdrawn from the OTCEPAC checking account on November 15, 1996, by check 528, referred to above.

I then obtained copies of the five checks listed above from the OTCEPAC. I discovered that checks 519, 528, and 531 all carried the endorsement of "Russell Steinhorst" on the back. A copy of the \$2,050.00 unauthorized check deposited in OTCEPAC's account from Summit also carries the endorsement of Russell Steinhorst as Treasurer of OTCEPAC. Check 513 and 529 cleared the account without endorsement.

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On July 14, 1997, I contacted Mr. Steinhorst to discuss these irregularities. Subsequent to that call, a meeting was held on July 15, 1997, with Mr. Steinhorst. In this meeting, Mr. Steinhorst did admit to taking \$6,350.00; \$4,300.00 coming from funds provided to OTCEPAC by its members and \$2050.00 belonging to Summit and processed through OTCEPAC in an effort to hide the event from Summit.

During this meeting, Mr. Steinhorst agreed to reimburse both OTCEPAC and Summit for all stolen funds. He also agreed to sign a statement documenting his activities in these matters. Mr. Steinhorst's statement was received by mail on July 18, 1997, along with a check for \$1,500.00 and a schedule for the repayment of \$4,850.00 by August 15, 1997. The \$1,500 was deposited in OTCEPAC's checking account on July 23, 1997. At my request Mr. Steinhorst also agreed to/ and executed a promissory "Demand" note for the unpaid balance of \$4,850.00 made payable to the OTCEPAC. The OTCEPAC was reimbursed in full by Mr. Steinhorst on August 15, 1997. In addition, the OTCEPAC has reimbursed Summit Performance the full \$2,050.

It is the OTCEPAC's intention to clear this matter up as quickly as possible. I have attempted to include all supporting documentation. However, should you have further questions, please do not hesitate to contact me directly at 920-235-9151, extension 2481.

Respectfully,



Thomas A. Johnson,
Treasurer, OTCEPAC

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Federal Election Commission
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FOR INCOMING DOCUMENTS**

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