



RECEIVED
FEDERAL ELECTION
COMMISSION MAIL ROOM

2000 JAN 27 P 12:10

January 24, 2000

Ms. Lee Ann Elliott
Chairman
Federal Election Commission
999 E Street NW
Washington, DC 20463

Re: FEC Inquiry dated January 21, 2000 (C00150995)

Encl: (1) Copy of our letter dated January 10, 2000
(2) Copy of FEC Approval of Computer Produced Schedules dated January 18, 2000
(3) Copy of subject inquiry

Dear Ms. Elliott:

This letter is forwarded directly to you in response to the subject inquiry. The reason for this is two-fold. First, our response to a similar inquiry on December 30, 1999 and our request for related information remain unanswered, yet deal with exactly the same issue. Second, this is the third inquiry received by our offices in the past 26 days, as opposed to two inquiries during my previous four years as the Director of Finance for The National PAC. We fear that if we continue to receive these baseless inquiries, we will be unable to satisfy our already burdensome Federal and State reporting requirements. Unfortunately, the excellent relationship we had with the Reports Analysis Division when Mr. Ken Davis was our assigned analyst has suddenly been replaced by negativity and harassment.

Two of the three inquiries concern allegations by Mr. Scott Walker, our current analyst, that we did not have an Approval for Computer Produced Schedules on file with the Commission. I contacted our prior Director of Finance, Lauren Burgess, who indicated that she filed an application and received approval nearly five years ago when The National PAC began to file automated reports. Unfortunately, with the passing of five years and an office move within the building, we were unable to locate the original approval. Also, as I explained in our letter dated January 10, 2000, a copy of which is provided as enclosure (1), we have filed reports using the exact same format for the past five years without any previous objection from the Commission. Our software vendor, Capitol Hill Software (now VOCUS), is perhaps the most widely used FEC software vendor, and we pay them large sums of money to provide compliant and accurate reporting software. I compared the current set of FEC-approved forms with those produced by the software, and I was unable to identify a single substantive difference between them. We feel, therefore, that these sudden protests by Mr. Walker are, at the very least,

MARVIN JOSEPHSON • CHAIRMAN

600 PENNSYLVANIA AVENUE, S.E. • SUITE 207 • WASHINGTON, D.C. 20003

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arbitrary.

Nonetheless, we responded to the inquiry and submitted a set of our reports for expedited approval and, we believed, resolution. That belief, unfortunately, was misguided. Three days after our forms were approved (see enclosure (2)), we received yet another inquiry, this time regarding our November 1999 monthly report (see enclosure (3)). Therefore, we must surmise that Mr. Walker cares not that our format has been approved, which seemed to be the intent of the original inquiry, and that we should expect to receive inquiries for the remaining ten months of 1999 for which we have not yet received inquiries at any time. My question to you, Ms. Elliott, is whether you endorse Mr. Walker's enforcement of 11 CFR 104.2(d) as outlined herein. In particular, do you feel the alleged violations are so flagrant that formal inquiries are necessary to resolve them? Do they warrant the hours we have spent researching our files and composing formal responses?

I know you are a very busy woman, Ms. Elliott, and I am certain that you can appreciate that I am a very busy man with 14 states and the FEC on my radar screen. Unfortunately, we feel that we are without recourse, and we would appreciate it if you could assist us with achieving final resolution of these matters. I may be reached weekdays at (202) 418-2230. Thank you.

Sincerely,

Warren E. O'Hearn

WARREN E. O'HEARN, CPA
Director of Finance

Copy to:

Reports Analysis Division
Attn: Mr. Scott Walker
999 E Street NW
Washington, DC 20463

Enclosures



January 10, 2000

Federal Election Commission
Reports Analysis Division
999 E Street, NW
Washington, DC 20463
Attn: Mr. Scott Walker

Re: Your Notice dated December 30, 1999
Your Notice dated January 5, 2000

Encl: (1) The National PAC FEC monthly filing for the period December 1-31, 1999
(2) Corrected pages for The National PAC February 1999 Monthly Report
(3) Copies of the subject notices

Dear Mr. Walker:

This letter is forwarded in response to the subject inquiries. The National PAC has relied upon Capitol Hill Software (now VOCUS) as its PAC software vendor for the past five years, as do many PACs throughout this area. We pay them large sums of money to provide us what they assure is compliant and accurate reporting software. We filed a request for approval of our forms, in accordance with 11 CFR 104.2(d), many years ago. Owing to the passage of time and a recent office move, we are unable to unearth the original approval. Notwithstanding that we have filed under the exact same format for the past five years without prior objection from your offices, and that I am unable to identify a single substantive difference between our forms and those prescribed officially by the FEC at this writing, I am resubmitting enclosure (1) for the explicit purpose of an expedited review in accordance with 11 CFR 104.2(d). Should you identify any necessary changes, please provide immediately a letter detailing those changes.

Regarding the second notice specifically, and as I indicated to you during our conversation on January 10, 2000, we were previously advised by the FEC to account for Richard Altman on line "11U" (which itemizes the receipt on Schedule A while accounting for it as an unitemized receipt on the Detailed Summary Page). We are

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ENCLOSURE ①

uncertain of the reasoning that prompted this requirement previously, although it appears to have related to his prior employment as Executive Director of The National PAC. This accounts fully for the differential cited in the notice. Enclosure (2) is therefore provided solely for the purpose of undoing this prior guidance and resolving this matter expeditiously. The pages enclosed should be substituted for those in the original filing as applicable. All other pages in the original report are unaffected.

The National PAC has constantly made every effort to be timely and accurate in its reporting. During my four years as the Director of Finance, we previously received only two formal inquiries from the FEC, and both addressed genuine concerns. We have now received two additional FEC notices within the past twelve days alone. We are appalled at the imposition of these notices, with strict 15-day deadlines, while in the midst of trying to accommodate demanding FEC and state reporting deadlines. It would appear for items as trivial as these that a phone call, rather than formal notices, would as easily achieve resolution. We have not deviated from our reporting practices during the past five years, and do not understand why previously sanctioned practices are suddenly offenses. We would appreciate, in addition to the form review requested, some plausible, detailed explanation. If there are any questions concerning this submission, I may be reached weekdays at (202) 418-2230. Thank you.

Sincerely,

Warren E. O'Hearn

WARREN E. O'HEARN, CPA
Director of Finance

Enclosures



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 18, 2000

Marvin Josephson, Treasurer
National PAC
600 Pennsylvania Avenue, Suite 207
Washington, DC 20003

Reference: Request for Commission Approval of Computer Produced Schedules

Dear Mr. Josephson:

The Commission has received and reviewed your request for approval of computer produced schedules of receipts, disbursements, method of allocation, joint federal/non-federal activity, Summary and Detailed Summary Pages. You are hereby granted approval to utilize the schedules for your reports to the Commission. You are advised that this approval is contingent upon all computer produced schedules filed with your reports being on 8-1/2"x11" paper and continuing to be of high quality, using dark ink and having 1/2-inch margins on the left and right sides of the page to ensure legibility on FEC microfilm. In order for your reports to be of an acceptable quality it is recommended that original schedules be filed with your reports and copies kept for your files.

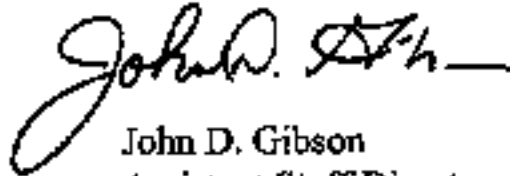
If the software your committee is using to produce the Schedules of the FEC FORM 3X does not allow you to electronically file your report, you may want to call the vendor who produced your software to inquire about the availability of a software upgrade that includes electronic filing. A number of commercial software companies have added electronic filing capability to their products. A list of these companies is available on the FEC web site, <http://www.fec.gov>.

Alternatively, freeware (FECfile) available from the FEC, can help you complete and file your reports electronically. It installs easily, computerizes every schedule in the FEC FORM 3X, contains features to help you avoid common errors, allows you to file electronically, and has free technical support for your questions. You may obtain your free copy by downloading FECfile from our web site, <http://www.fec.gov>, or by calling the Electronic Filing Office at (202) 694-1307.

ENCLOSURE ②

If you have any questions, please contact Neil Evans on our toll-free line, (800) 424-9530. Our local number is (202) 694-1130.

Sincerely,

A handwritten signature in cursive script, reading "John D. Gibson", followed by a horizontal line.

John D. Gibson
Assistant Staff Director
Reports Analysis Division



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

Marvin Josephson, Treasurer
The National PAC
600 Pennsylvania Avenue, SE, Suite 207
Washington, DC 20003

JAN 21 2000

Identification Number: C00150995

Reference: November Monthly Report (10/1/99-10/31/99)

Dear Mr. Josephson:

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:

-Your report includes computer produced formats of the Summary Page, Detailed Summary Page, Schedule A, H4, and Schedule B. Computer produced formats may only be used upon prior approval of the Commission. You should submit a separate sample format with a cover letter requesting approval. Until your format has been approved, FEC forms must be used.
11 CFR §104.2(d)

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,

Scott Walker
Reports Analyst
Report Analysis Division

283

ENCLOSURE (3)

Federal Election Commission

**ENVELOPE REPLACEMENT PAGE
FOR INCOMING DOCUMENTS**

The Commission has added this page to the end of this filing to indicate how it was received.

<input checked="" type="checkbox"/> Hand Delivered	Date of Receipt 1/27/00
<input type="checkbox"/> First Class Mail	POSTMARKED
<input type="checkbox"/> Registered/Certified Mail	POSTMARKED
<input type="checkbox"/> No Postmark	
<input type="checkbox"/> Postmark Illegible	
<input type="checkbox"/> Received from the House office of Records and Registration	Date of Receipt
<input type="checkbox"/> Received from the Senate Office of Public Records	Date of Receipt
<input type="checkbox"/> Other (Specify):	Postmarked _____ and/or Date of Receipt
<input type="checkbox"/> Electronic Filing	
RB PREPARER	1/28/00 DATE PREPARED