



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

James G. Davis, MD, Treasurer  
Political Action Committee of the  
American Association of Orthopaedic  
Surgeons  
317 Massachusetts Avenue, NE  
Washington, DC 20002

OCT 11 2000

Identification Number: C00343137

Reference: Year End Report (7/01/99-12/31/99)

Dear Mr. Davis:

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 B of your report (pertinent portion(s) attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. 2 U.S.C. §441a(a) precludes a non-multicandidate political committee and its affiliates, from making a contribution to a candidate for federal office in excess of \$1,000 per election. Please refer to the Campaign Guide for information on how a committee qualifies for multicandidate status.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If you have made an excessive contribution, you should notify the recipient and request a refund of the amount in excess of \$1,000 and/or notify the recipient in writing of your redesignation of the contribution. In the best interest of your committee, all refunds and redesignations should be made within sixty days of the treasurer's receipt of the contribution(s).

If your committee has met the criteria for multicandidate status, please file FEC FORM 1M "Notification of Multicandidate Status" with the Commission. The treasurer must file FEC FORM 1M prior to making a

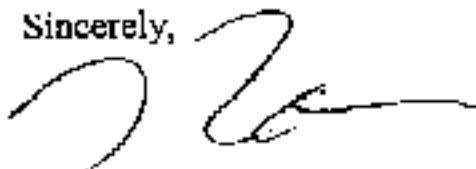
contribution of more than \$1,000 per candidate per election. 11 CFR §102.2(a)(3)

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund request sent to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding the excessive contribution(s), your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

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 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Neil A. Evans  
Reports Analyst  
Reports Analysis Division

**SCHEDULE B**

**ITEMIZED DISBURSEMENTS**

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

PAGE 1 OF 4  
FOR LINE NUMBER 23

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.

NAME OF COMMITTEE (in Full)

Political Action Committee of the American Association of Orthopedic Surgeons

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Friends of Jim Saxton P.O. Box 795 Mt. Holly, NJ 08060	Jim Saxton, U.S. HOUSE 3rd NJ Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 1999	07/15/99	500.00
Cooksey For Congress Committee P.O. Box 7600 Monroe, LA 71211	John Cooksey, U.S. HOUSE 5th LA Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 1999	07/21/99	500.00
C. Full Name, Mailing Address and ZIP Code Roth for Senate P.O. Box 105 Wilmington, DE 19899	William V. Roth, U.S. SENATE DE Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 1999	07/22/99	1,000.00
D. Full Name, Mailing Address and ZIP Code Roth for Senate P.O. Box 105 Wilmington, DE 19899	William V. Roth, U.S. SENATE DE Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 1999	07/30/99	1,000.00
E. Full Name, Mailing Address and ZIP Code Bob Kerrey for U.S. Senate Committee 301 4th Street, NE Suite 201 Washington, DC 20002	Rob Kerrey, U.S. SENATE NE Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 1999	09/02/99	1,000.00
F. Full Name, Mailing Address and ZIP Code Congressman Bill Young Campaign Committee P.O. Box 47025 St. Petersburg, FL 33743	C.W. Bill Young, U.S. HOUSE 10th FL Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 1999	09/02/99	1,000.00
G. Full Name, Mailing Address and ZIP Code Congressman Bill Young Campaign Committee P.O. Box 47025 St. Petersburg, FL 33743	C.W. Bill Young, U.S. HOUSE 10th FL Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 1999	09/02/99	1,000.00
H. Full Name, Mailing Address and ZIP Code Pallone For Congress P.O. Box 3176 Long Branch, NJ 07740	Frank Pallone, U.S. HOUSE 8th NJ Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 1999	09/20/99	1,000.00
I. Full Name, Mailing Address and ZIP Code People for Ganske 521 E Locust 2nd Floor Des Moines, IA 50309	Greg Ganske, U.S. HOUSE 5th IA Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) 1999	09/20/99	1,000.00

SUBTOTAL of Disbursements This Page (optional) .....

8,000.00

TOTAL This Period (add page this line number only) .....

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every receipt and invoice should be properly filed and indexed for easy retrieval. This is particularly crucial for businesses that deal with a large volume of transactions, as it helps in identifying discrepancies and ensuring compliance with tax regulations.

Next, the document addresses the issue of inventory management. It suggests implementing a robust system to track stock levels, which can be achieved through the use of barcode technology and automated inventory tracking software. Regular audits are also recommended to ensure that the recorded inventory matches the physical stock on hand.

The third section focuses on financial reporting. It outlines the key components of a comprehensive financial statement, including the balance sheet, income statement, and cash flow statement. The document stresses the need for transparency and accuracy in these reports, as they provide a clear picture of the company's financial health and performance over a specific period.

Finally, the document concludes with a section on risk management. It identifies common financial risks, such as currency fluctuations and credit defaults, and provides strategies to mitigate them. This includes diversifying investments, using hedging instruments, and conducting thorough credit checks before extending credit to new clients.