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FEDERAL ELECTION COMMISSION
PUBLIC DISCLOSURE

SEP 31 3 49 PM '98

DEMOCRATIC NATIONAL COMMITTEE

Steve Grossman
National Chair

Governor Roy Romer
General Chair

October 1, 1998

Ms. Debbie Chacona
Senior Reports Analyst
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
PUBLIC DISCLOSURE
DIVISION
OCT 1 4 49 PM '98

ID#: C00010603

RE: Response to letter of September 16, 1998 to Carol Pensky,
Treasurer, DNC Services Corporation/Democratic National Committee.

Dear Ms. Chacona:

The DNC is in receipt of your letter of September 16, 1998. In this letter, you request clarification of the following items from our 1998 July Quarterly Report, which covered the period from April 1, 1998 through June 30, 1998:

1) You ask for clarification of certain credits disclosed on Schedule D for the following vendors:

- * AT&T Cash Control - This credit reflects the correction of the duplicate entry of an invoice which was inadvertently data entered into the DNC's accounts payable system twice.
- * A.B. Data - This credit reflects the resolution of a dispute between the DNC and the vendor as to the amount owed to the vendor.
- * BTG Integration & Network - This credit reflects the correction of duplicate entry of an invoice which was inadvertently data entered into the DNC's accounts payable system twice.
- * Current Events - This credit reflects the correction of a data entry error in the Spring of 1997. This amount was never a debt owed to this vendor.

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- * Ernst & Young - This credit reflects a negotiated settlement between the DNC and Ernst & Young as to the amount owed by the DNC for consulting services provided pursuant to 11 C.F.R. § 100.7(b)(13). The forgiveness of this debt was done pursuant to 11 C.F.R. § 116.4(b)(1).
- * University Club - This credit was to correct a data-entry error. The original invoice was paid in full, and should not have appeared on DNC debt schedules. This credit reflects a correction of the difference between the data-entry error, and the original invoice amount.

2) You state that Schedule A discloses contributions that may be drawn on a corporate account.

- * Each contribution referred to in your letter has been made from personal funds. The inclusion of the corporate name was intended as part of the individual's address, and not as any indication as to the source of the contributions. Please note that the contribution that was disclosed from General Electric Company was actually an earmarked contribution from a GE Employee that was forwarded to the DNC through GE's Federal PAC. This entry has been amended to reflect that the contribution was received from the earmarking employee.

3) You ask for clarification of the purpose of the following offsets disclosed on Line 15.

- * SMS Direct, Inc. - This offset reflects the refund for the overpayment of postage costs.
- * Mail Bag, Inc. - This offset reflects the refund for the overpayment of postage costs.

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4) You have requested that Schedule H4 be amended for certain transfers received for the Non-Federal portion of offsets received.

- The category breakdown for each offset transfer disclosed on Schedule A, Line 15 is as follows:

\$11,113.19 transfer on 5/4/98

\$7,849.61 - Administrative
\$2,118.58 - Fundraising
\$1,145.00 - Transfer of 100% non-federal offset
which was inadvertently deposited into
federal account on 3/12/98.

\$16,348.41 transfer on 6/30/98

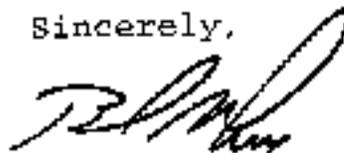
\$6,326.72 - Administrative
\$9,771.69 - Fundraising
\$250.00 - Transfer of 100% non-federal offset
which was inadvertently deposited into
federal account on 4/17/98

5) You have stated that you are unable to locate the original disbursement for a voided check on Line 28(a) that was payable to the Psaltis Corporation.

- * Enclosed, please find a copy of the appropriate page from the DNC's 1996 Post-General Report that discloses the original payment to the Psaltis Corporation.

If you have any further questions regarding this matter, feel free to contact me at the address below.

Sincerely,



Bradley K. Marshall
Assistant Treasurer

ITEMIZED RECEIPTS
 DNC SERVICES CORPORATION/DEMOCRATIC NATIONAL COMMITTEE
 SCHEDULE A

NAME ADDRESS CITY STATE ZIPCODE	OCCUPATION EMPLOYER	YTD AGGREGATE	DATE	AMOUNT PERIOD
Deanna R. Gelak 7505 Inzer Street Springfield, VA 22151	Director of Government Affairs Society for Human	250.00	5/08/98	250.00
Beatrice S Gendel 519 S Beverly Glen Blvd Los Angeles, CA 90024	None None	250.00	5/15/98 6/19/98	100.00 50.00
[REDACTED] Nancy Barton 260 Long Ridge Road Stamford, CT 06927	Senior VP GE Capital	2,000.00	6/08/98	2,000.00
Thomas K Gantless PO Box 1407 Camden, SC 29020	Retired	700.00	6/30/98	100.00
Elmar J George 105 W Main St Lebanon, KY 40033	REQUESTED	298.00	6/05/98	100.00

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)
LNC Service Corp Democratic National Committee

Full Name, Mailing Address & Zip Code	Purpose of Disbursement	Date (month day, year)	Amount of Each Disbursement This Period
U.S. TREASURY WASHINGTON DC	CONTRIBUTION REFUND Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/21/96	\$5,000.00
VERONICA GOLDBERG 711 JAMES STREET MORRISTOWN, NJ 07960	CONTRIBUTION REFUND Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/23/96	\$4,000.00
ARTHUR M. GOLDBERG 711 JAMES STREET MORRISTOWN, NJ 07960	CONTRIBUTION REFUND Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/23/96	\$14,500.00
PATRICIA LOCKE 66 SEA CLIFF AVE. SAN FRANCISCO, CA 94121	CONTRIBUTION REFUND Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/24/96	\$1,000.00
RICHARD LOCKE 66 SEA CLIFF AVE. SAN FRANCISCO, CA 94121	CONTRIBUTION REFUND Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/24/96	\$1,000.00
TIENKEN, RICHARD 1055 EDGEWATER ROAD EDGEWATER, NJ 07021	CONTRIBUTION REFUND Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/29/96	\$20,000.00
BROWN, ANN 3005 AUDOBON TERRACE WASHINGTON, DC 20008	CONTRIBUTION REFUND Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	11/ 4/96	\$10,000.00
PSALTIS CORPORATION C/O HOGAN & HARTSON 555 13TH ST.,NW WASHINGTON, DC 20002	CONTRIBUTION REFUND Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	11/ 5/96	\$20,000.00

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

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 <u>10/1/98</u>
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<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	
 PREPARER	<u>10/1/98</u> DATE PREPARED