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October 3, 1997

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BY HAND DELIVERY

Mr. Kenneth A. Davis, Jr.
Reports Analyst
Reports Analysis Division
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: *Parsons Transportation Group Federal PAC*
FEC Identification Number COO-119784

Dear Mr. Davis:

We represent the Parsons Corporation in connection with certain matters, including the operations of the Parsons Transportation Group (PTG) federal PAC. On August 27, 1997, you noted certain apparent discrepancies in the 1996 reports filed by the PTG PAC, and requested that amended reports be filed. By letter dated September 10, 1997, I informed you that Price Waterhouse had been retained to conduct a review of the PAC accounts and to help prepare amended reports. On September 19, John Gibson reiterated the Commission's request that amended reports be filed.

The independent review of the PTG federal PAC accounts is now complete, and I enclose amended reports for each of the periods from July 1, 1994 through December 31, 1996. The amendments were necessitated by the fact that, between October 1994 and August 1996, a PTG employee stole approximately \$17,000 from the PTG federal PAC account. The employee, who was the secretary to the PAC treasurer, wrote checks on the PAC account payable to herself and forged the necessary authorized signatures. She attempted to cover up her embezzlement by

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making false entries in the PAC's books and by filing false reports, with forged signatures, with the Commission.

No one at PTG had any knowledge or suspicion of this scheme until April 1997. A preliminary internal investigation disclosed the forged checks, and the employee was terminated immediately. A more complete investigation, including a review of the events by this firm and a review of the accounts by Price Waterhouse, uncovered the extent of the employee's wrongdoing and determined that there was no evidence of criminal conduct by other PTG officers or employees in connection with this matter.

Our investigation enabled the filing of these amended reports, which we believe correctly state the activities of the PTG federal PAC. Our investigation also revealed that the employee made an unauthorized transfer of corporate funds to the PAC, which funds have since been refunded. Finally, please be advised that David P. Hansgen, the former PAC treasurer, is no longer employed by PTG. Paul C. Thompson is the new treasurer, and I have enclosed an amended statement of organization for the PTG federal PAC reflecting this change.

Please call me if you have any questions or we can be of further assistance to you or the Commission.

Sincerely yours,



Mark A. Perry

MAP/ard
Enclosures

cc: John D. Gibson
Assistant Staff Director
Reports Analysis Division (w/o encl.)

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bcc: Raymond B. Roth, Esq. (w/encl.)
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