

FBI
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Clean Up Congress
6010 Claiborne Dr.
McLean, VA 22101
April 9, 1996

Jan McBride
Reports Analysis Division
FED
999 E St. NW
Washington, D.C. 20463

Dear Ms. McBride,

I am in receipt of your letter of April 3, 1996 regarding the discrepancy between Clean Up Congress's actual and "paper" bank account balances. As I mentioned in previous correspondence, I have been working on this problem ever since I discovered it more than a year ago. I have finally worked it out.

I found that in 1994 the various Clean Up Congress offices under-reported the dollar amount of the small contributions they received. The under-reporting was an inadvertent result of our rather decentralized fundraising method, which I will explain below. The extent of the under-reporting was \$7,259 or 2 percent of the total small contributions that Clean Up Congress received in 1994.

I now submit amended versions of form 3X (pages 1 and 2) for all nine of the reports that Clean Up Congress filed with the Commission in 1994 and of our two 1995 reports. The amended reports produce a cash-on-hand balance at the end of 1995 that matches the actual amount in our bank account at the end of 1995, \$691.68.

Having supplied this summary of the problem and solution, I now want to give you detailed explanations of how the problem cropped up and how I plan to ensure that it does not recur.

Clean Up Congress receives 99% of its contributions through a method that most political committees do not use -- door-to-door canvassing. We very rarely use the more traditional methods such as fundraising receptions (which you mentioned in your April 3, 1996 letter) or mail solicitations. Instead, on any given weeknight during the peak of the campaign, we have dozens of environmental activists knocking on doors in all of the cities where we are operating. The door-knockers have several goals, such as registering and educating voters, but they also solicit contributions. Each night they bring these contributions back to the local office, where they are counted and the money is deposited in a local bank. Later the money is moved from this local bank to a bank near our central

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office (in 1994 the central office and its bank were in Arlington, Virginia), and Clean Up Congress checks are drawn on that bank.

Before each of the nine FEC reports of 1994, I called ^{since} each of the four office directors and asked how much money they had raised during the last report, in both large contributions (annually aggregating over \$200) and small contributions. I then totalled these numbers for each FEC report. Inevitably discrepancies arose during the long chain between the donor, the door-to-door canvasser, the canvasser's field manager, the director of that local office, and me at the central office. The discrepancy was not large -- only 2% of the dollar total -- but for a group that operates as close to a zero balance as Clean Up Congress does, the discrepancy became significant, because eventually it showed Clean Up Congress having a negative cash balance, which we did not really have.

Here is how I plan to eliminate this 2% discrepancy for the future. I will have all of the satellite banks send their monthly statements directly to me at the central office. Then I will add up the total amount deposited in each of our satellite banks since the last FEC report. Since I will have all of the bank statements in the central office, I will be able to avoid what appears to have been the two big problems in 1994. These were:

(1) the receipts totals that the various directors called in to me were based on reports from door-to-door canvassers (passed through field managers), not on bank statements. So if a piece of paper listing an amount collected by a particular canvasser on a particular night was lost, then the money raised by that canvasser on that night did not go into the total of Clean Up Congress's receipts.

(2) when the directors of the various offices called me to report how much their offices had raised since the previous report, there was apparently sometimes a miscommunication between them and me regarding the exact dates of the last day of the previous report and the first day of the present report. Thus the amounts collected on some of those in-between days "fell through the cracks" between the two reports and were not reported at all. You can see that this problem will be solved if I have all of the various bank statements in my hands as I do the reports; quite literally I will be able to draw a line between the deposits that were included in the present FEC report and those that need to be reported in the next one.

(I want to emphasize to you again, as I have in previous correspondence, that Clean Up Congress did succeed in correctly ascertaining and reporting how much it received from larger contributors -- those who gave an aggregate of \$200 or more for the year. We had a separate, and I think foolproof, system for recording them.)

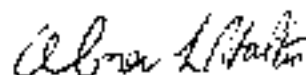
Finally I want to say how I corrected the discrepancy on the 1994 and 1995 reports. It was not possible to ascertain exactly when the various small discrepancies that added up to the big 2% discrepancy occurred. So I have allocated that 2% discrepancy among all nine of the reports that Clean Up Congress filed with the FEC in 1994. Since we collected more money during some of the reporting periods than during others, I have

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allocated the additional \$7,259 among the nine reports in proportion to the amount that each report contributed to Clean Up Congress's total receipts for 1994. This was a rather tedious process, but it was the only one available to me, since there were gaps (minor, but bigger than the 2% discrepancy I was trying to fix) in my collection of the thousands of bank statements, deposit slips, and other records turned into me by the hundreds of people who raised money for Clean Up Congress in 1994.

I am proud of the method that Clean Up Congress uses to raise its contributions -- grassroots fundraising helps ensure that Clean Up Congress remains responsive to the wishes of the grassroots Americans who fund us. But our very-decentralized system of 1994 allowed for a great deal of human error. Although we will continue to use the same fundraising system in the future, I will change our receipts reporting system by receiving monthly statements directly from the banks. This should prevent future discrepancies. If you have any questions, please note that my telephone number for the next three weeks will be (804) 947-8727. Then it will revert to (703) 821-2745 until further notice.

Sincerely,



Abner L. Holton, III
Treasurer

2603047916

REPORT OF RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee
(Summary Page)

USE FEC MAILING LABEL OR TYPE OR PRINT

1. NAME OF COMMITTEE (in full)
Clean Up Congress

ADDRESS (number and street) Check if different than previously reported
1101 N. Highland St.

CITY, STATE and ZIP CODE
Arlington, Virginia, 22201

2. FEC IDENTIFICATION NUMBER
C00245456

3. This committee has qualified as a multicandidate committee. (see FEC FORM 1M)

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4. TYPE OF REPORT

- (a) April 15 Quarterly Report
- July 15 Quarterly Report
- October 15 Quarterly Report
- January 31 Year End Report
- July 31 Mid Year Report (Non-election Year Only)
- Termination Report
- Monthly Report Due On:
- February 20 June 20 October 20
- March 20 July 20 November 20
- April 20 August 20 December 20
- May 20 September 20 January 31
- Twelfth day report preceding _____ [Type of Election] election on _____ in the State of _____
- Thirtieth day report following the General Election on _____ in the State of _____
- (b) Is this Report an Amendment? YES NO

SUMMARY		COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period	1-1-94 through 3-31-94		
6. (a) Cash on Hand January 1, 19 94			\$ 10,438.19
(b) Cash on Hand at Beginning of Reporting Period		\$ 10,438.19	
(c) Total Receipts (from Line 19)		\$ 82,710.28	\$ 82,710.28
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)		\$ 93,148.47	\$ 93,148.47
7. Total Disbursements (from Line 30)		\$ 70,006.68	\$ 70,068.68
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))		\$ 23,141.79	\$ 23,141.79
9. Debts and Obligations Owed TO the Committee (itemize all on Schedule C and/or Schedule D)		\$ 0	For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-219-3420
10. Debts and Obligations Owed BY the Committee (itemize all on Schedule C and/or Schedule D)		\$ 118.85	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer: **Abner L. Holton III**

Signature of Treasurer: *Abner L. Holton III* Date: **April 9, 1996**

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §487g.

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**DETAILED SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS
PAGE 2, FEC FORM 3X**

(revised 1/1/91)

NAME OF COMMITTEE

Clean Up Congress

REPORT COVERING PERIOD

FROM *1-1-94*

TO:

3-31-94

		COLUMN A Total This Period	COLUMN B Calendar Year	
I. Receipts				
11.	Contributions (other than loans) From:			
a.	Individuals/Persons Other Than Political Committees			
i.	Itemized (use Schedule A)	0	0	11(a)(1)
ii.	Unitemized	82,460.13	82,460.13	11(a)(2)
iii.	Total (add i and ii) >	82,460.13	82,460.13	11(a)(3)
b.	Political Party Committees	0	0	11(b)
c.	Other Political Committees (such as PACs)	0	0	11(c)
d.	Total Contributions (add a iii, b and c) >	82,460.13	82,460.13	11(d)
12.	Transfers From Affiliated/Other Party Committees	0	0	12
13.	All Loans Received	0	0	13
14.	Loan Repayments Received	195.54	195.54	14
15.	Offsets To Operating Expenditures (Refunds, Rebates, etc.)	54.61	54.61	15
16.	Refunds of Contributions Made to Federal Candidates and Other Political Committees	0	0	16
17.	Other Federal Receipts (Dividends, Interest, etc.)	0	0	17
18.	Transfers from Nonfederal Account for Joint Activity	0	0	18
19.	Total Receipts (add 11d, 12, 13, 14, 15, 16, 17, and 18) >	82,710.28	82,710.28	19
20.	Total Federal Receipts (subtract line 18 from line 19) >	82,710.28	82,710.28	20
II. Disbursements				
21.	Operating Expenditures:			
a.	Shared Federal/Non-Federal Activity (from Schedule H4)			
i.	Federal Share	0	0	21(a)(1)
ii.	Non-Federal Share	0	0	21(a)(2)
b.	Other Federal Operating Expenditures	18,412.04	18,412.04	21(b)
c.	Total Operating Expenditures (add a i, a ii, and b) >	18,412.04	18,412.04	21(c)
22.	Transfers to Affiliated/Other Party Committees	0	0	22
23.	Contributions to Federal Candidates/Committees and Other Political Committees	0	0	23
24.	Independent Expenditures (use Schedule E)	50,331.28	50,331.28	24
25.	Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F)	0	0	25
26.	Loan Repayments Made	1263.36	1263.36	26
27.	Loans Made	0	0	27
28.	Refunds of Contributions To:			
a.	Individuals/Persons Other Than Political Committees	0	0	28(a)
b.	Political Party Committees	0	0	28(b)
c.	Other Political Committees (such as PACs)	0	0	28(c)
d.	Total Contribution Refunds (add a, b and c) >	0	0	28(d)
29.	Other Disbursements	0	0	29
30.	Total Disbursements (add 21c, 22, 23, 24, 25, 26, 27, 28d, and 29) >	70,076.68	70,076.68	30
31.	Total Federal Disbursements (subtract line 21 a ii from line 30) >	70,076.68	70,076.68	31
III. Net Contributions/Operating Expenditures				
32.	Total Contributions (other than loans) (from line 11d)	82,460.13	82,460.13	32
33.	Total Contribution Refunds (from line 28d)	0	0	33
34.	Net Contributions (other than loans) (subtract line 33 from 32)	82,460.13	82,460.13	34
35.	Total Federal Operating Expenditures (add 21 a i and 21 b) >	18,412.04	18,412.04	35
36.	Offsets to Operating Expenditures (from line 15)	54.61	54.61	36
37.	Net Operating Expenditures (subtract line 36 from 35) >	18,357.43	18,357.43	37

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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.

Hand Delivered

DATE OF RECEIPT

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4-15-96

Registered/Certified Mail

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and Registration

DATE OF RECEIPT

Received from the Senate Office of Public
Records

DATE OF RECEIPT

Other (Specify):

POSTMARKED

and/or DATE OF RECEIPT

JLB
PREPARER

4-15-96
DATE PREPARED

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