



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

FEB 23 2000

J. Edward Pearson, Treasurer
Leadership '98
1133 Connecticut Avenue, NW, #300
Washington, DC 20036

Identification Number: C00165753

Reference: Year End Report (7/1/99-12/31/99)

Dear Mr. Pearson:

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 calculations for Line 21(b), Column B appear to be incorrect. FEC calculations disclose this amount(s) to be \$319,243.27. Please provide the corrected total(s) on the Detailed Summary Page.

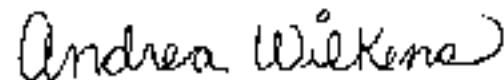
-Your report discloses limited (specifically, no rent expenses) payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule B (if applicable), supporting Line 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11.---

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If these services have been provided by volunteers, please confirm this in writing.

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. My local number is (202) 694-1130.

Sincerely,



Andrea Wilkens
Senior Reports Analyst
Reports Analysis Division

