

ETEXT ATTACHMENT

04/24/2002 19 : 06

Mr. Jim Krebs
Reports Analyst
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Krebs:

In response to your request, I am forwarding to the Commission an amended 2001 mid-year report on behalf of the Skadden Arps Political Action Committee (C00232629). After an extensive review of the 2001 mid-year report, we have determined that overhead expenses were double-counted.

The Skadden Arps PAC reported \$800.00 in administrative fees in its 2001 mid-year report. Only \$39.19 was associated with such overhead expenses as paper, envelopes, postage and photocopying. The remainder of the declared amount was related to office overhead expenses such as telephones, light and storage. The PAC also reported \$8,445.00 in exempt legal and accounting expenses. The hourly rate associated with those exempt services includes a component for office overhead. Consequently, office overhead was reported twice.

In the future, the PAC will only report as part of the itemized disbursements on line 21B those administrative expense items unrelated to office overhead, such as paper, envelopes, postage and photocopying. Overhead related to the operation of an office will be included in the amount reported under exempt legal and accounting services.

I hope this is responsive to your inquiry.

Sincerely, PPP
Lynn R. Coleman