



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Donna Titzman, Treasurer
Valero Energy Corporation Political
Action Committee
7990 West IH 10
San Antonio, TX 78230

MAR 22 2000

Identification Number: C00109546

Reference: Amended Mid-Year Report (1/1/99-6/30/99), dated 1/27/2000

Dear Ms. Titzman:

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:

-Schedule B of your report (pertinent portion(s) attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. 2 U.S.C. §441a(a) precludes a multicandidate committee and its affiliates from making a contribution to a candidate for federal office in excess of \$5,000 per election.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If you have made an excessive contribution, you should notify the recipient and request a refund of the amount in excess of \$5,000 and/or notify the recipient in writing of your redesignation of the contribution. In the best interest of your committee, all refunds and redesignations should be made within sixty days of the treasurer's receipt of the contribution(s).

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund request sent to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding the excessive contribution(s), your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

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 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

A handwritten signature in black ink that reads "Andrew J. Dodson". The signature is written in a cursive style with a large, prominent "D" at the beginning.

Andrew J. Dodson
Senior Reports Analyst
Reports Analysis Division

ITEMIZED DISBURSEMENTS

SCHEDULE B

PAGE 2 OF 2
FOR LINE NUMBER 23 (FEDERAL)

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: VALERO ENERGY CORPORATION POLITICAL ACTION COMMITTEE

=====

FULL NAME MAILING ADDRESS AND ZIP CODE	PURPOSE OF DISBURSEMENT	DATE	AMOUNT OF EACH DISBURSEMENT THIS PERIOD
--	-------------------------	------	---

TREEN, DAVID
111 VETERANS MEMORIAL BLVD
METAIRIE, LA 70005

CAMPAIGN CONTRIBUTION
LOUISIANA STATE CONGRESS
Disbursement for: General

5/27/1999

\$500.00

LOTT, TRENT
9431 HIGH EDGE DR
DALLAS, TX 75238

CAMPAIGN CONTRIBUTION
SENATOR
Disbursement for: General

5/27/1999

\$2,500.00

AID

JEFF, BINGAMAN
236 MASSACHUSETTS AVE. E.
SUITE 202
WASHINGTON, DC 20002

CAMPAIGN CONTRIBUTION
CONGRESSMAN
Disbursement for: General

6/11/1999

\$1,000.00

SUBTOTAL of Disbursements This Page

\$4,000.00

TOTAL This Period

\$11,500.00

SCHEDULE B

ITEMIZED DISBURSEMENTS

Period From: 12/1/97 through 12/31/97

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: PG&E Corporation Employees' Federal Political Action Committee, I.D. No. C00177469

Committee Name, Mailing Address, Zip Code	Purpose of Disbursement (Contribution: Campaign of)	Disbursement For: (Election Date)	Disbursement Date	Amount this Period
A. Joe Barton Campaign Post Office Box 1444 Ennis, TX 75120	Joe Barton U.S. House of Representatives (TX-6)	Primary Election June 1998	12/4/97	1,000.00
B. Ellen Tauscher for Congress Post Office Box 2089 Danville, CA 94526	Ellen Tauscher U.S. House of Representatives (CA-10)	Primary Election June 1998	12/12/97	250.00
C. Trent Lott for Mississippi 1301 Pennsylvania Ave. N.W., #500 Washington, DC 20004	Trent Lott U.S. Senate - Mississippi	General Election November 2000	12/12/97	2,000.00
D. Matt Fong, U.S. Senate Committee 488 S. Figueroa Street, #1130 Los Angeles, CA 90017	Matt Fong U.S. Senate - California	Primary Election June 1998	12/17/97	1,000.00
E. Bill Bray for Congress 4451 Broadfield Corporate Drive Suite 200 Chantilly, VA 22021-1652	Brian Billbray U.S. House of Representatives (CA-49)	Primary Election 1998	12/22/97 (2/1/98 Check Cancelled)	(500.00)
F. Matt Salmon for Congress 4451 Broadfield Corporate Drive Suite 200 Chantilly, VA 22021-1652	Matt Salmon U.S. House of Representatives (AZ-1)	Primary Election 1998	12/22/97 (2/1/98 Check Cancelled)	(500.00)

SUBTOTAL of Disbursements This Page: \$ 3,250.00

ITEMIZED DISBURSEMENTS

SCHEDULE B

PAGE 1 OF 1
FOR LINE NUMBER 23 (FEDERAL)

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: VALERO ENERGY CORPORATION POLITICAL ACTION COMMITTEE

FULL NAME MAILING ADDRESS AND ZIP CODE	PURPOSE OF DISBURSEMENT	DATE	AMOUNT OF EACH DISBURSEMENT THIS PERIOD	(G)EN OR (P)RY
--	-------------------------	------	---	----------------------

DASCHLE, TOM
405 SOUTH THIRD AVE.
SIOUX FALLS, SD 57104

CAMPAIGN CONTRIBUTION
SENATE

DEC 31 96

2,000.00

G

LOTT, TRENT
228 SOUTH WASHINGTON STR
SUITE 300
ALEXANDRIA, VA 22314

CAMPAIGN CONTRIBUTION
SENATE

DEC 31 96

5,000.00

G

TOTAL

\$ 7,000.00

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and any other financial activity. The text suggests that a systematic approach to record-keeping is essential for identifying trends and making informed decisions.

Next, the document addresses the issue of reconciling accounts. It explains that regular reconciliation is necessary to detect and correct any discrepancies between the company's records and the bank's statements. This process involves comparing the two sets of records and investigating any differences, such as missing transactions or errors in recording. The text stresses that reconciliation should be performed frequently to prevent small errors from accumulating.

The third section focuses on the classification of expenses. It provides a detailed breakdown of various types of expenses, such as operating expenses, depreciation, and interest. The document explains how these expenses are recorded in the general ledger and how they are allocated to different departments or projects. This classification is crucial for determining the true cost of operations and for budgeting purposes.

Finally, the document discusses the preparation of financial statements. It outlines the steps involved in calculating the net income, preparing the balance sheet, and the income statement. The text emphasizes that these statements provide a comprehensive overview of the company's financial performance and position. It also notes that accurate financial statements are essential for obtaining loans, attracting investors, and complying with regulatory requirements.