

ETEXT ATTACHMENT

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RYAN, PHILLIPS, UTRECHT & MACKINNON
1133 Connecticut Avenue, N.W.
Suite 300
Washington, D.C. 20036

April 10, 2002

Mr. Thomas F. Maxwell, III
Reports Analysis Division
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: HILLPAC (C000363994)

Dear Mr. Maxwell:

I am writing on behalf of HILLPAC in response to questions raised by you concerning information contained in HILLPAC's 30 Day Post Special Report for the period January 1, 2001 through July 9, 2001 (the "Report"). HILLPAC's response is set forth below:

1. Apparent Excessive Contribution Corrected with Amended Report

On Schedule A of the Report HILLPAC correctly reported a \$10,000 contribution from Mr. Walter Kaye received on June 28, 2001. An individual may contribute \$5,000 per calendar year to a political committee. 2 U.S.C. §441a(f). If a committee receives a contribution that exceeds the limits it may retain the funds if within 60 days of receipt the excessive amount is properly reattributed to another person, such as a joint account holder, by obtaining signed written authorizations from each person making the contribution. 11 C.F.R. §110.1(k)(3). On August 6, 2001, HILLPAC received a written authorization signed by Mr. Kaye and Ms. Selma Kaye reattributing the contribution, as follows: \$5,000 from Mr. Kaye and \$5,000 from Ms. Kaye. A copy of the written authorization is enclosed.

As a result of a clerical error, the date of the reattribution to Ms. Kaye was inadvertently entered in the computer as June 28, 2001 instead of August 6, 2001. As a result of this error, the reattribution was not included on the 30 Day Post Special Report for activity during the period July 10 through December 10, 2001 because it appeared to the computer that the reattribution was outside this reporting period. HILLPAC has amended its 30 Day Post Special Report to properly disclose the date of the reattribution by Mr. Kaye and Ms. Kaye as August 6, 2001.

2. Payments to Another Political Committee at the Usual and Normal Charge

On Schedule B supporting Line 21(b) HILLPAC disclosed payments at the usual and normal charge to two other political committees for goods and services provided by those committees. Specifically, HILLPAC paid \$1,200 to Friends of Hillary for used computer equipment on March 29, 2001 and it paid \$562.50 per month to the New York State Democratic Committee for rent during the reporting period. The steps taken in determining that HILLPAC paid these committees the usual and normal charge for the goods and services provided to HILLPAC are, as follows:

a. Payment of \$1,200 for Used Computer Equipment

HILLPAC purchased four used personal computers from a campaign committee for \$1,200 (\$300 per computer) after the 2000 election. The campaign committee was winding down and sold some of its used computers. HILLPAC was informed that the campaign committee's computer consultant advised the campaign of the value of its used computer equipment. The price of new computers is relatively low and used equipment can be purchased at a deep discount. HILLPAC's purchase of the used computers for \$300 each is well within the usual and normal charge for such used equipment.

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b. Payment of \$562.50 for Monthly Rent 7

HILLPAC rents a portion of a one room office in New York. The state party committee charges the same amount for all one room offices, other than corner offices. HILLPAC, therefore, is charged the usual and normal rental amount for its portion of the one room office.

We anticipate that this information sufficiently answers your questions. If you need any additional information, please contact me at your convenience.

Sincerely,

Lyn Utrecht

Enclosure
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