

LIONEL SAWYER & COLLINS

ATTORNEYS AT LAW
1700 BANK OF AMERICA PLAZA
300 SOUTH FOURTH STREET
LAS VEGAS, NEVADA 89101
(702) 383-8888

JOHN R. BAILEY

FAX (702) 383-8845

WRITER'S DIRECT DIAL NUMBER:
(702) 383-8889

June 13, 1997

VIA FEDERAL EXPRESS

Clinette Short
Federal Election Commission
Washington, D.C. 20463

Re: MUR 4632

Dear Ms. Short:

I apologize profusely for my tardiness in getting this information to you. I have been out of town on business and in my office only one day in two weeks.

The Nevada Republican Party ("NRP") has taken the following steps to ensure the timely filing of reports in the future:

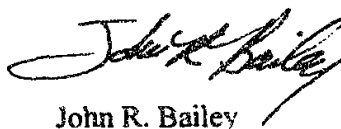
1. Previously, the NRP Treasurer was responsible for all FEC reporting with no support from the other officers or staff of the NRP. All FEC record keeping and data input is now done internally with the Treasurer reviewing and approving all FEC transactions and reports.
2. NRP purchased new software for FEC record keeping at a purchase price of \$7,552.44, with annual support fees of \$1,200.00.
3. NRP has hired a part-time employee to perform FEC accounting at an annual cost of approximately \$6,000.00.
4. There are now four individuals, rather than just one, entrusted with the responsibility of ensuring that the FEC reports are timely filed: the Chairman, Treasurer, and Executive Director of the NRP and the FEC accounting employee.
5. A schedule of deadlines has been implemented: Draft FEC reports are due to the Executive Director by the 7th of each month; his corrections are due to the Treasurer by the 10th of each month; the finalized reports are then forwarded to the FEC by the 15th of each month.

LIONEL SAWYER & COLLINS
ATTORNEYS AT LAW

Clinette Short
June 13, 1997
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Thank you for your consideration of our position on this matter. If you need anything further, please contact me.

Sincerely,



John R. Bailey

JRB/ano

Enclosures

cc: John Mason, Chairman
Executive Board Members
Dan Burdick, Executive Director

99.04.391.2017

105 / Las Vegas Review-Journal / Wednesday, May 7, 1997

FEC slaps the wrists of Nevada Democrats

By Tony Batt
Dorsey Washington Bureau

WASHINGTON — The Nevada State Democratic Party violated federal campaign laws in 1992 by spending excessively on congressional candidates including Sen. Harry Reid, D-Nev., according to the Federal Election Commission.

But commissioners have decided not to take action against the party, deeming the violations not serious enough under the agency's new enforcement priority system.

Among other things, a 1991-92 FEC audit of the party concluded:

—party spending for Reid's successful re-election campaign exceeded federal limits by \$34,593. Reid defeated Republican Demar Dahl of Elko County.

—party expenditures for Pate Sferrazza of Reno exceeded federal limits by \$17,230. Sferrazza lost to Rep. Barbara Vucanovich, R-Nev., who retired last year.

The FEC audit also cited the party for improperly spending \$70,298 on congressional races with money from a fund designated for other uses. Of the \$200,841 spent from its petty cash fund, the party provided no documentation to support \$21,093 of the expenditures, FEC officials said.

Finally, the party understated its receipts by \$36,385 and disbursements by \$40,976 and overstated its cash on hand by \$626. But the party corrected the misstatements by filing amended reports, the audit noted.

Reid answered the allegations Tuesday with a short, prepared statement from his press secretary, Jenny Backus.

"Based on our preliminary review of this FEC report, the audit found nothing that required further action by the FEC. The FEC has the authority to levy fines or order remedial measures

in cases where it believes there have been violations of federal law," the statement said.

The FEC presented the report to the Democratic Party on June 16, 1994. In response, party officials disagreed with the totals, but did not provide information needed for a subsequent report on the audit, the FEC said.

In a Feb. 21 statement to the five FEC commissioners, agency General Counsel Lawrence M. Noble urged the dismissal of the Nevada case and 11 others. He reached that conclusion after rating the cases under an enforcement priority system adopted by the FEC in September 1996.

"By closing these 12 cases, this office will be better able to focus its resources on the more significant cases, generally presidential matters," Noble said. "Moreover, these closings will enable us to process the 1996 presidential audits in a more efficient manner."

Six days later, the commission voted unanimously to accept Noble's recommendation.

The FEC audit comes on the heels of a \$10,000 fine paid by the Nevada State Democratic Party last year for failing to file seven reports on time in 1994 and 1995. A telephone call Tuesday to the party's office in Las Vegas was not returned.

As for the Nevada Republican Party, it paid \$1,200 in February 1996 for filing its 1994 year-end report 128 days late.

Election attract



Voter Registrar Kathryn Ferguson oversees election Cashman Field on Tuesday.

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NEVADA REPUBLICAN PARTY BUDGET SUMMARY 1997

NOTE: All revenues are shown net of direct expenses and represent the net revenue that is expected from the meeting, event, etc. that will be available to fund the overhead budget previously approved. As specific meetings, events, etc. are planned, a specific budget for that event will be established and a separate accounting for each event will be done to compare with the event budget.

				Federal Funds	Non-Federal Funds	Total
NET REVENUES:						
Meetings	10	Averaging	\$6,000 Each	\$65,000	\$5,000	\$70,000
Special Events	5	Averaging	\$10,000 Each	45,000	5,000	50,000
Team 199	4	Averaging	\$25,000 Each		100,000	100,000
Major Donors					150,000	150,000
Interest Income					5,000	5,000
TOTAL NET REVENUES				105,000	285,000	390,000
GENERAL OVERHEAD EXPENSE:						
Rent						7,320
Utilities						3,500
Telephone						12,000
Building Maintenance						800
Payroll:						
Executive Director						40,000
Political Director						30,000
Political Coordinator						20,000
Office Manager (Las Vegas)						18,000
Bookkeeper						0
Salary adjustments						8,440
Payroll Taxes (including SRS)						12,885
Health Insurance						0
Professional Fees:						0
Legal						0
Consulting						2,400
Accounting						800
Other						35,000
Contract Labor						800
Liability Insurance						9,000
Office Supplies						1,200
Seminars						24,000
Travel						800
Entertainment						1,200
Printing and Reproduction						1,200
Postage and Delivery						0
Outside Services						1,000
Repairs						0
Program Expense						500
Meals						1,000
Service Contracts						750
Equipment Rental						2,000
Dues and Subscriptions						200
Automobile Expense						500
Advertising						4,000
Voter Lists, Etc						0
Fines/Penalties						0
Finance Charges						425
Bank Charges						1,000
Donations						6,000
Depreciation						100
Property Taxes						1,000
Miscellaneous						
GENERAL OVERHEAD BUDGET (25% Federal Funds)				\$1,400	184,200	245,600
EXCESS OF REVENUES OVER EXPENSES				339,500	80,500	\$112,400

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**Nevada Republican Party
Profit and Loss
January 1 through June 3, 1997**

06/03/97

Jan 1 - Jun 3, '97

Ordinary Income/Expenses	
Income	
RNC	
FEC	250.00
Total RNC	250.00
Transfer	0.00
Contributions	
Individual	54,423.77
Contributions - Other	133,132.76
Total Contributions	187,556.53
Total Income	187,806.53
Expense	
Personal Property Tax	96.80
Income Taxes Paid	4,284.00
Research	991.50
Lodging	1,683.90
Computer Software	4,500.00
Rent	2,301.88
Utilities	
Gas and Electric	612.57
Sanitation	236.28
Utilities - Other	632.22
Total Utilities	1,381.08
Telephone	7,768.89
Payroll Expenses	
Gross Wages	38,792.50
Total Payroll Expenses	38,792.50
Payroll Taxes	
SSS	536.17
FICA	2,406.14
Medicare	562.65
FUTA	182.74
State Unemployment-CEP	336.63
Nev Dept of Taxation	129.25
Miscellaneous Payroll	1,508.98
Total Payroll Taxes	5,660.56
Professional Fees	
Telemarketing	1,500.00
Legal Fees	0.00
Consulting	600.00
Accounting	453.75
Total Professional Fees	2,453.75
Contract Labor	68,804.52
Supplies, Office	1,996.40
Office Expense	523.17
Seminars	1,242.44
Travel	6,972.17
Entertainment	3,408.75
Printing and Reproduction	31,478.86
Postage and Delivery	5,057.53
Outside Services	260.00
Repairs	
Computer Repairs	625.76
Repairs - Other	42.74
Total Repairs	668.50
Meals	4,328.17
Service Contracts	2,840.15
Equipment Rental	234.80
Dues and Subscriptions	1,888.65

06/03/97

Nevada Republican Party
Profit and Loss
 January 1 through June 3, 1997

	Jan 1 - Jun 3, '97
Automobile Expense	1,299.71
Advertising	87.92
Lists, Voter, etc	1,115.00
Fines/Penalties	0.00
Bank Service Charges	
Credit Card Fees	267.39
Bank Service Charges - Other	92.47
Total Bank Service Charges	359.86
Donations	3,718.50
Depreciation Expense	1,250.00
Miscellaneous	9.24
Total Expense	207,259.48
Net Ordinary Income	-19,452.95
Other Income/Expense	
Other Income	
Interest Income	895.99
Total Other Income	895.99
Net Other Income	895.99
Net Income	-18,556.96

1996-Nevada Republican Party
Profit and Loss
 January through December 1996

6/13/97

Jan - Dec '96

Ordinary Income/Expense	
Income	
RNC	
Non FEC	739,819.02
FEC	378,811.84
Total RNC	1,118,631.46
Transfer	0.00
Contributions	
Individual	368,531.89
Contributions - Other	813,786.26
Total Contributions	1,174,618.15
Total Income	2,293,249.61
Expense	
National Convention	3,886.57
Housing to be reimbursed	0.00
Rent	47,255.71
Utilities	
Water	44.47
Gas and Electric	3,393.69
Sanitation	244.27
Utilities - Other	718.65
Total Utilities	4,391.38
Telephone	23,308.02
Building Maintenance	802.00
Payroll Expenses	
Gross Wages	127,835.92
Payroll Expenses - Other	1,500.20
Total Payroll Expenses	129,336.12
Payroll Taxes	
SUS	1,004.88
FICA	8,020.08
Medicare	1,878.00
FUTA	512.10
State Unemployment-CEP	991.29
Nev Dept of Taxation	140.17
Misc 1995	-327.02
Payroll Taxes - Other	0.00
Total Payroll Taxes	12,117.61
Professional Fees	
Telemarketing	80,728.00
Legal Fees	1,722.35
Consulting	58,440.00
Accounting	10,802.50
Professional Fees - Other	0.00
Total Professional Fees	131,692.85
Contract Labor	18,453.51
Insurance	
Liability Insurance	528.00
Total Insurance	528.00
Supplies, Office	3,790.36
Office Expense	9,082.88
Seminars	1,182.51
Travel	27,403.23
Entertainment	4,879.71
Printing and Reproduction	147,884.67
Postage and Delivery	212,609.11
Outside Services	30,381.06
Repairs	
Equipment Repairs	430.78

1996-Nevada Republican Party
Profit and Loss
 January through December 1996

01/03/97

	Jan - Dec '96
Computer Repairs	187.84
Building Repairs	158.00
Repairs - Other	148.77
Total Repairs	923.39
Program Expense	13,991.35
Meals	4,887.64
Service Contracts	1,631.34
Equipment Rental	4,992.94
Dues and Subscriptions	1,658.22
Automobile Expense	336.92
Advertising	901,843.37
Utils, Voter, etc	14,061.79
Fines/Penalties	1,306.19
Finance Charges	31.30
Bank Service Charges	1,027.79
Donations	729,202.87
Depreciation Expense	2,578.54
Property Taxes	76.94
Miscellaneous	886.63
Total Expense	2,468,609.06
Net Ordinary Income	-195,360.05
Other Income/Expense	
Other Income	
Interest Income	9,048.99
Total Other Income	9,048.99
Other Expense	
Other Expenses	1,291.93
Total Other Expense	1,291.93
Net Other Income	7,757.06
Net Income	-187,602.99

**1995 Nevada Republican Party
Profit and Loss
January through December 1995**

66/03/97

	Jan - Dec '95
Ordinary Income/Expense	
Income	
Contributions	760,473.30
Total Income	760,473.30
Expenses	
Advertising	16,622.86
Bank Service Charges	1,655.86
BONUS/Commissions	7,000.00
Contract Labor	12,000.00
Donations	14,000.00
Dues and Subscriptions	336.00
Entertainment	189.09
Equipment Rental	690.15
Insurance	
Health	3,339.53
Liability Insurance	425.00
Insurance - Other	375.00
Total Insurance	4,139.53
Lists, Voter, etc	517.50
Media	299.40
Miscellaneous	1,734.86
Office Expense	12,678.71
Outside Services	9,324.55
Payroll Expenses	
SSS	683.98
Wages (Net)	49,977.02
Total Payroll Expenses	50,660.96
Payroll Taxes	
FICA (941)	10,438.08
FLTA	148.55
Misc 1995	8,116.09
Nev Dept of Taxation	271.77
State Unemployment	121.01
Total Payroll Taxes	19,095.48
Postage and Delivery	13,590.59
Printing and Reproduction	33,953.20
Professional Fees	
Consulting	44,250.00
Legal Fees	200.00
Telemarketing	5,441.90
Total Professional Fees	50,891.90
Program Expense	221,895.99
Rent	7,119.19
Repairs	
Building Repairs	174.37
Repairs - Other	236.87
Total Repairs	411.24
Seminars	280.00
Supplies	350.00
Taxes	8.74
Telephone	11,118.50
Travel	12,710.74
Uncategorized	4,283.65
Utilities	
Gas and Electric	1,778.06
Sanitation	383.23
Total Utilities	2,161.29
Total Expense	509,730.39

1995 Nevada Republican Party
Profit and Loss
January through December 1995

04/03/97

	<u>Jan - Dec '95</u>
Net Ordinary Income	260,742.91
Other Income/Expense	
Other Income	
Interest Income	<u>3,420.89</u>
Total Other Income	<u>3,420.89</u>
Net Other Income	<u>3,420.89</u>
Net Income	<u>264,163.80</u>

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FROM : BIG DOGS

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WESTERN STATES REPUBLICAN LEADERSHIP CONFERENCE FINANCIAL RESULTS

Revenues:	
Regular Registrations	\$101,100
Keystones	191,000
Sponsorships	292,165
Vendors	5,250
Ticket Sales for Individual Events	4,760
Seed Money	2,500
Interest	4,458
Other	1,477
Total Revenues	602,706

Expenses:	
MGM Grand set-up/Meals, Etc.	100,231
Conference Meals	32,222
Printing	32,907
Operating	88,012
Finance	56,412
Hospitality	17,405
Total Expenses	323,590

Net	\$279,119
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Transfers to Nevada Republican Party:

11/30/95	10,000	
12/14/95	25,000	
1/9/96	10,000	
1/22/96	100,000	
12/8/95	5,000	
2/14/96	73,000	
2/26/96	1,000	
3/5/96	51,260	
3/18/96	3,860	
Total		279,119

Cash Balance	\$0
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