

[COMMITTEE PRINT]

**STAFF REPORT  
IN THE MATTER OF  
REPRESENTATIVE WILLIAM H. BONER**

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**COMMITTEE ON  
STANDARDS OF OFFICIAL CONDUCT  
U.S. HOUSE OF REPRESENTATIVES  
ONE HUNDREDTH CONGRESS**



**DECEMBER 1987**

**Printed for the use of the  
Committee on Standards of Official Conduct**

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**U.S. GOVERNMENT PRINTING OFFICE**

**WASHINGTON : 1987**

78-177

H 742-5

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## STAFF REPORT

### IN THE MATTER OF REPRESENTATIVE WILLIAM H. BONER

#### I. FOREWORD

On October 5, 1987, Representative William H. Boner resigned from his seat in the House of Representatives owing to his election as Mayor of Nashville, Tennessee.

The Committee on Standards of Official Conduct has not generally issued reports in cases which were terminated by the Committee losing jurisdiction through the resignation, retirement or electoral defeat of a Member who was either investigated for alleged improper conduct or who was charged with a violation of House rules.<sup>1</sup> However, *In the Matter of Representative William H. Boner*, a number of issues relating to the Committee's conduct of the inquiry and to the status and course of the Committee staff's investigation as of the date of former Representative Boner's resignation from Congress warrant public disclosure. In the Committee's view, the general policy against issuing reports in cases such as here involved is outweighed by the responsibility of the Committee to fully inform the public regarding the status and results of its efforts up to the date of Representative Boner's departure from Congress.

#### II. INTRODUCTION AND BACKGROUND

On January 14, 1986, an article appeared in *Common Cause* magazine concerning Congressman William H. Boner, Representative of the 5th district of Tennessee. The gist of the article was that Representative Boner used his congressional office for personal gain. It specifically alleged that Representative Boner—

- used campaign funds for personal benefit in violation of House rules;
- failed to reveal certain business interests on his Financial Disclosure Statements;
- received a gift from a boat manufacturer in violation of House rules and failed to disclose receipt of such gift; and
- accepted a bribe in connection with legal fees paid to his wife by a defense contractor for work she neither performed nor was expected to perform.

By letter of February 4, 1986, Representative Boner asked the Committee to investigate the allegations. On February 5, 1986, the Committee adopted a Resolution to conduct a Preliminary Inquiry to investigate Representative Boner's use of campaign funds, par-

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<sup>1</sup> See, for example, H. Rept. 96-856, *In the Matter of Representative Daniel J. Flood*, March 26, 1980, at p. v.

ticipation in certain business transactions, acceptance of gifts, and circumstances surrounding certain spousal income. (Exhibit 1.)

Subsequent to the adoption of this Resolution, news articles appeared in the media reporting that an investigation by the U.S. Department of Justice (Department) involving Representative Boner had been opened. As a result of these articles, on February 26, 1986, Committee Chairman Julian C. Dixon and Ranking Minority Member Floyd D. Spence wrote a letter to the Department informing it of the Preliminary Inquiry and requesting any information the Department would be willing to provide, so that the efforts of the two organizations could be coordinated as much as possible. (Exhibit 2.)

On March 2, 1986, Representative Boner submitted a statement pursuant to Committee Rule 11(a)(2)(A), regarding the allegations raised against him in the media. (Appendix A.) Pursuant to this same rule, Committee staff then made a request dated March 26, 1986, for further documentation. (Exhibit 3.)

On April 15, 1986, Chairman Dixon received a letter from the Department requesting that the Committee defer its investigation of Representative Boner until it completed its own investigation. (Appendix B.) This request was, in turn, communicated to counsel for Representative Boner. One week later, on April 22, 1986, the Committee received a letter from Representative Boner asking that it decline the Department's request to defer, and that he be allowed to appear before the Committee to make an oral statement. (Appendix C.)

The Committee held a meeting on April 23, 1986. At that meeting, it agreed to acquiesce to the Department's request to suspend "at this time" the Preliminary Inquiry it had initiated. (Exhibit 4.) In keeping with its decision to suspend, the Committee took no further action in this matter until March 31, 1987, when it received a letter from the Department stating: "The Department has declined prosecution in this matter and considers the case closed." (Appendix D.)

Upon receipt of the Department's March 31, 1987, notification, Committee staff undertook a review and analysis of all the materials that had been accumulated up to the time of the April 23, 1986, suspension of the Preliminary Inquiry. Because it was determined that many, if not all, of the allegations remained unresolved, Committee staff was directed to resume its investigation of the allegations against Representative Boner. Pursuant to this resumption of effort, Committee staff met on May 19, 1987, with counsel for the congressman to discuss those aspects of the allegations for which additional documentation and clarification were deemed necessary.

Since the May 19, 1987, meeting, Committee staff has requested additional information by letters of July 21, 1987 (Exhibit 5.) and August 13, 1987 (Exhibit 6.) and have received responses from Representative Boner dated June 24, 1987 (Appendix E), July 24, 1987 (Appendix F), and August 31, 1987 (Appendix G).

In sum, the Committee has pursued its efforts in connection with the allegations raised against Representative Boner over an approximately 20-month period beginning with the initiation of a Preliminary Inquiry in February 1986 and a resumption of effort in April 1987 designed to complete the 1986 initiative. To be kept in

mind, however, is the fact that during this period, about one year involved time during which no work was undertaken in light of the Department's request that the Committee suspend its efforts pending the Department's activities. Consequently, the Committee has actually investigated the subject allegations for a total of only eight and one-half months—approximately two and one-half months in 1986 up to the time of suspension; and six months in 1987 (April through September)—subsequent to notification that the Department of Justice efforts had been terminated and up to the time of Representative Boner's resignation.

### III. EFFECT OF REPRESENTATIVE BONER'S RESIGNATION

House Rule X, clause 4(c)(1) states, in part, that the jurisdiction of this Committee is to—

. . . investigate . . . any alleged violation, by a Member, officer, or employee of the House, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, Officer, or employee in the performance of his duties or the discharge of his responsibilities, and, after notice and hearing, to recommend to the House by resolution or otherwise, such action as the committee may deem appropriate in the circumstances.

On September 22, 1987, Representative Boner was successful in his effort to be elected to the position of Mayor of Nashville, Tennessee. As a result of his election, Representative Boner resigned from his seat in the U.S. House of Representatives on October 5, 1987. Consequently, the Committee lost jurisdiction over Representative Boner in light of House Rule X, quoted above. At the time of the Boner resignation, and as is discussed in greater detail below, while major portions of the inquiry had been completed, the Committee staff had not finished its work on all aspects of the investigation.

As a result, the Committee was not able to receive and consider a report reaching the staff's conclusions on all matters under review. Had the investigation been fully completed, Representative Boner would have been given an opportunity to respond to any Committee conclusions that violations of controlling standards of conduct were identified. Thus, the instant report contains only the staff's views on those facts known up to the time of Representative Boner's resignation and does not reflect any response or reaction to staff views by Representative Boner.

### IV. HIGHLIGHTS OF THE REPORT

#### A. ALLEGATIONS REGARDING THE MISUSE OF CAMPAIGN FUNDS

##### 1. *Car, Truck, and Car Phone*

The Committee staff concluded that Representative Boner leased the automobile and car phone to his campaign in an "arm's length" fashion, i.e., at amounts below fair market value and, thus, no violation of House Rule XLIII, clause 6, was found in terms of these leases. Additionally, he sold the truck to the campaign for



the same amount for which he bought it, thus taking no undue advantage of the campaign in this regard.

However, the Committee staff believes Representative Boner violated House Rule XLIII, clause 6, by using the automobile being rented to the campaign for 20-percent personal use during a 6-month period, while having the campaign pay for this use.

## ***2. Purchase and Lease of Campaign Headquarters***

The Committee staff found that no allegation of impropriety was sustained in regard to the actual lease of the building by Representative Boner to his campaign.

## ***3. Allegation Regarding the Lease of Equipment from Letters Unlimited***

The Committee staff found no impropriety in the leasing terms of the equipment rented by Representative Boner's company to his campaign committee. At the termination of the investigation, however, there had been no definite conclusion reached regarding whether Letters Unlimited's equipment had been used to do work for organizations other than the campaign and when this work may have taken place.

## ***4. Allegations Regarding Campaign Equipment Leased from Targeted Communications***

The Committee staff found nothing improper about the terms of the lease agreements for the equipment Targeted Communications ("Targeted") leased to the campaign. However, the staff had not reached a definite conclusion regarding the issues of whether Targeted's equipment was used to do work for other companies at the same time it was being leased by Representative Boner's campaign committee, and whether this work was done at campaign facilities.

## ***5. General Conclusion of Representative Boner's Leasing Arrangements***

While the individual leasing arrangements between Representative Boner and his campaign committee were not, taken separately, improper, the Committee staff believed that the systematic pattern the congressman engaged in to acquire personal ownership rights in over \$200,000 worth of property constituted conduct reflecting discreditably on the House, and thus placed him in violation of House Rule XLIII, clause 1.

## ***6. Employment of Doris Bland***

The Committee staff's conclusion was that no impropriety was established in regard to the employment of the congressman's sister, Ms. Doris Bland, by his campaign committee.

## ***7. Reimbursements from the Campaign***

The Committee staff concluded that, at the termination of the investigation, unresolved issues remained as to the allegation that Representative Boner improperly received reimbursements from his campaign in violation of House Rule XLIII, clause 6. In one instance, the staff concluded the congressman violated this rule by

flyng his daughter to one of his honoraria speeches and having his campaign pay for the ticket.

### **8. *Purchase of Office Furniture***

Representative Boner's explanation regarding the purchase of office furniture with campaign funds was accepted by the Committee staff, and it therefore concluded that no allegation of impropriety had been sustained.

### **9. *Trip to Hong Kong***

The Committee staff believes Representative Boner's use of campaign funds to pay for his trip to Hong Kong placed him in violation of House Rule XLIII, clause 6, and House Rule XLV.

## **B. ALLEGATIONS REGARDING IMPROPER BUSINESS TRANSACTIONS**

### **1. *Gary Price***

The Committee staff's opinion was that these business deals did not constitute gifts to Representative Boner. The congressman did not list a venture involving a hotel on his Financial Disclosure Statement for calendar year 1983, but subsequently corrected this omission. Also, the staff felt his actions may have given rise to a violation of the Code of Ethics for Government Service, consideration #5.

### **2. *J. Harold Schankle***

#### **a. *Destin, Florida Condominium and 3 East Nashville Properties***

The Committee staff found no improprieties regarding these transactions.

#### **b. *614 Russell Street Property***

The evidence examined did not conclusively show that Mr. J. Harold Schankle was ever reimbursed for the purchase of the property, for which he had paid the entire amount. Therefore, the staff had reached no final conclusion regarding possible impropriety in this transaction at the termination of the investigation.

### **3. *Representative Boner's Intervention at the Veterans Administration on Mr. Schankle's Behalf***

Documents submitted led Committee staff to conclude that no allegation of misconduct was sustained regarding bribery or use of office for personal gain.

The staff did feel, however, that Representative Boner may have violated the Code of Ethics for Government Service, consideration #5, by accepting a benefit under circumstances which might be construed by reasonable persons as having influenced the performance of his governmental duties.

## **C. ALLEGATIONS REGARDING ACCEPTANCE OF GIFTS**

### **1. *Recreation Vehicle Industry Association***

At the termination of the inquiry, the Committee staff had not reached a final conclusion regarding the propriety of Representa-

tive Boner's use of a recreation vehicle. Investigation implicated possible violations of House Rule XLIII, clause 4, and the Ethics in Government Act of 1978.

### ***2. Honoraria, Contributions, and Travel***

There was no evidence before the Committee staff indicating that Representative Boner was not engaged in legitimate fact-finding activities and, therefore, its conclusion was that no allegation of impropriety was sustained.

### ***3. Hydroplane Boat***

While the Committee staff felt no allegation of bribery or violation of House Rule XLIII, clause 3, was established, it did conclude that Representative Boner's acceptance of free use of a boat for almost two years constituted a violation of the Code of Ethics for Government Service, consideration #5.

### ***4. Gifts from James Wellham***

The Committee staff declined to state that Representative Boner had received gifts from a prohibited source, or that the evidence established a violation of House Rule XLIII, clause 3.

## **D. ALLEGATIONS REGARDING WORK DONE BY MRS. BONER**

### ***1. Work for James Wellham***

The Committee staff had not reached a final determination regarding whether work was done by Mrs. Boner in return for the salary she received and, thus, further investigation would have been needed. Additionally, the staff concluded that consideration #5 of the Code of Ethics for Government Service may have been violated.

### ***2. Work for J. Harold Schankle***

The conclusion reached by the staff was that no allegation of impropriety had been sustained.

### ***3. Work for Joe Reeves***

The staff's investigation led it to conclude that no allegation of impropriety regarding House Rule XLIII, clause 3, and 18 U.S.C. §201 had been sustained. However, Representative Boner's Financial Disclosure Statement for calendar year 1983 failed to list the source of his wife's income from her legal work. Committee staff's conclusion was that Representative Boner's explanation for his failure to include this source, coupled with the timing of his amendment to the form, gave it grounds to reasonably believe a violation of the Ethics in Government Act of 1978 had occurred.

## **V. ALLEGATIONS REGARDING THE MISUSE OF CAMPAIGN FUNDS**

The first area of alleged impropriety by Representative Boner which was named in the Resolution of Preliminary Inquiry concerned his use of campaign funds. Newspaper articles identified specific uses of these funds which may have been improper. Each allegation of improper use will be discussed in turn.

## A. ALLEGATION REGARDING THE PURCHASE OF CAR, TRUCK, AND CAR PHONE

It was alleged in the media that Representative Boner's campaign purchased for him a "luxury" Pontiac, a pickup truck, and a mobile car phone.

### 1. Representative Boner's Position

Representative Boner asserted in his statement to the Committee that all three purchases were *bona fide* campaign expenditures. (Appendix A.)

#### a. Car Purchase

Representative Boner stated that the car in question, a Pontiac Bonneville, sold for a total price of \$17,643.88. He received \$5,254.84 on a trade-in vehicle and owed a balance of \$12,789.04 on the purchase of the car. He obtained financing for this amount from General Motor Acceptance Corporation, owing payments of \$344.14 per month for 36 months. His campaign was not a party to, nor involved in any way in, this transaction.

Representative Boner planned to use the automobile 80 percent of the time for campaign purposes, and 20 percent of the time for personal use. He leased the car to his campaign committee under terms that reflected this arrangement. From March 1984 to December 1984, his campaign committee leased the Bonneville from him for a total of \$3,441.40. In 1985 the campaign committee paid \$286 per month for its 80-percent use of the car, and in 1986 \$275 per month. (Appendix A.)

#### b. Truck Purchase

Representative Boner's response to this Committee regarding the truck in question was that he purchased it on March 11, 1985, for \$3,800 and then paid an additional \$291 for registration fees and an emissions test. On April 19, 1986, he received a loan from the Commerce Union Bank in Nashville, Tennessee, in the amount of \$4,091, to pay for the truck.

In May 1986 the campaign committee reimbursed Representative Boner \$4,091, covering his costs for the purchase price, registration fee, and interest paid in connection with the truck. The loan was paid off in June. (Appendix A.)

#### c. Car Phone Purchase

Regarding the mobile car phone, Representative Boner told the Committee that he purchased this item in 1979 with his own funds and began using it immediately for political and campaign calls. He received reimbursement from the campaign committee for use of this telephone once in 1980, and not again until 1984. In that year he began leasing the phone to the campaign committee for \$200 per month, a rate that he says was no more than necessary to offset the purchase price and maintenance of the phone. (Appendix A.)

## *2. Legal Issues*

One rule applicable to this alleged impropriety is House Rule XLIII, clause 6, which states:

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

A second rule applicable is section 102(a)(1)(B) of the Ethics in Government Act of 1978 (EIGA), which states that a Member's Financial Disclosure Statement must include—

The source and type of income which consists of dividends, interests, rent, and capital gains, received during the preceding calendar year which exceeds \$100 in amount or value. . . .

A third consideration which may apply is House Rule XLIII, clause 1, which states:

A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

In analyzing these transactions to determine if any impropriety existed, the Committee staff reviewed numerous documents submitted by Representative Boner. The primary question to be determined was whether the congressman enjoyed any undue advantage in his dealings with his campaign committee by virtue of inappropriate uses of campaign funds.

## *3. Evidence Obtained*

### *a. Car*

As to the Bonneville, Representative Boner submitted an estimate from Mr. Howard Carmicheal, Lease Manager for Beamon Pontiac Company of Nashville, Tennessee, stating that the lease payments for a car of this type would have been \$557.78 for a 12-month lease, \$407.94 for a 24-month lease, and \$347.03 for a 36-month lease. (Appendix A.) At no time did Representative Boner lease the car to his campaign committee for anything over the fair market value. Therefore, no undue advantage was gained by Representative Boner in this regard.

However, while he never leased the car to his campaign for anything over the fair market rental value, close analysis of a letter dated June 10, 1985, from Representative Boner to his campaign treasurer, Mr. William H. Freeman, reveals an apparent breach of House Rule XLIII, clause 6. The letter states that from January to June of 1985 the campaign paid \$344.14 a month to lease the Bonneville. Representative Boner would pay the entire \$344.14 in July "which will make up for the amount over \$275 that the campaign paid the previous 6 months." The letter goes on to explain that the

difference between the \$275 per month and the old lease price will be paid by Representative Boner to account for the 20-percent of the time he was to use the car personally. (Appendix A.)

House Rule XLIII, clause 6, prohibits the conversion of campaign funds to personal use in excess of reimbursement for prior campaign expenditures, and expending funds from one's campaign account which are not attributable to *bona fide* campaign purposes.

From this letter, one can conclude that for a 6-month period, from January 1985 through June 1985, Representative Boner used this car for personal use 20 percent of the time and had his campaign committee pay for this use. His payment for the car in July 1985 was to make up for the time during the prior 6 months when Representative Boner had used the car for his personal use. Even disregarding the small profit made by Representative Boner through this payment arrangement (approximately \$140), the fact remains that for a 6-month period campaign funds apparently were being used to pay for his *personal* use of the car.

#### *b. Truck*

As to the truck, Representative Boner submitted correspondence dated April 20, 1985, from the Commerce Bank of Nashville, verifying a loan in the amount of \$4,091. (Appendix A.) Analysis of his campaign committee's Federal Election Commission (FEC) report for 1986 shows the truck was purchased by the campaign on May 30, 1985, for \$4,127.99. (Appendix I.) Thus, Representative Boner made no profit from the sale of the truck to the campaign.

Further investigation by the Committee staff revealed the fact that the title to the truck remained in Representative Boner's name, even though it had already been sold to the campaign. Upon being asked to explain this apparent anomaly, Representative Boner responded that the title was kept in his name in order to lower the insurance cost for the truck, in that the rate for an individual's insurance would be lower than that for an organization. (Appendix G.)

#### *c. Car Phone*

In support of his version of events as to the car phone, Representative Boner submitted a lease agreement dated April 1, 1984, between him and his campaign committee for \$200 per month for the use of that car phone. (Appendix A.) In addition to that agreement, he submitted a letter from the Communications Service Company of Nashville, Tennessee, dated October 11, 1984 stating that the lease price of the mobile telephone is \$330.96 per month. (Appendix A.)

Despite what his statement to the Committee would lead one to believe, analysis of Representative Boner's Financial Disclosure Statements, combined with analysis of a document submitted by him, showed that the phone he purchased in 1979 was sold on April 30, 1984, and a new phone was purchased on May 30, 1984, for \$3,000. (Appendices I and A.) This new phone—not the one purchased in 1979—was leased to the campaign committee for \$200 per month.

Additionally, it is uncertain whether the rental income which should have been reported from his 1984 lease of the phone to his

campaign was reported on Representative Boner's Financial Disclosure Statement for that year. There is a listing under the income section of "business equipment," but no specific mention of the car phone. (Appendix I.) At the termination of the investigation, this question had not been resolved.

#### 4. Conclusion

While Representative Boner has not had a chance to respond to this allegation, the Committee staff believes the congressman violated House Rule XLIII, clause 6, by using the Bonneville for personal use for six months while having his campaign committee pay for that use. However, in stating this belief, the staff realizes the argument could be made that because Representative Boner's use of the car was relatively small, and that he reimbursed the campaign for his use of it at the end of the 6-month period, the violation of this House rule could be deemed *de minimus*.

Regarding the sale of the truck to the campaign, the Committee staff has found no impropriety. Representative Boner purchased the truck for \$4,091 and sold it to the campaign a month later for the same amount. The Committee accepts Representative Boner's explanation as to why the title to the truck remained in his name.

As to the car phone, Representative Boner leased this item for an amount well under the fair market value and, thus, no allegation of impropriety is sustained in that regard. However, the question remains unresolved as to whether the rental income from the 1984 lease of the phone was reported on his Financial Disclosure Statement for that year, as required by section 102(a)(1)(B) of the EIGA.

While finding no impropriety as to the terms of the lease agreements for the automobile and the car phone, the Committee staff is concerned by an emerging pattern of Representative Boner's abuse of his relationship to his campaign. As will be developed in the following sections of this report, Representative Boner engaged in a systematic pattern of using his campaign to acquire personal ownership rights in items totalling over \$200,000. Therefore, staff was mindful of whether Representative Boner's pattern of conduct reached the point where it reflected discreditably on the House and, thus, placed him in violation of House Rule XLIII, clause 1.

#### B. ALLEGATION CONCERNING PURCHASE AND LEASE OF CAMPAIGN HEADQUARTERS

In the media reports alleging impropriety on the part of Representative Boner concerning use of campaign funds, mention was made of the fact that a monthly rent was paid to him for his campaign's use, as its headquarters, of a building the congressman owns.

##### 1. Representative Boner's Position

In response to this allegation, Representative Boner stated that he purchased the building in question, 621 3rd Avenue, Nashville, Tennessee, on June 15, 1984, for a total price of \$80,000. To finance the purchase, he took out a first mortgage on the property for \$50,000 (\$567.60 per month) and a second mortgage of \$19,300

(\$276.90 per month). He then made \$2,782.57 in improvements to the building. On July 1, 1984, his campaign committee began leasing this building from him. Representative Boner then obtained three separate appraisals for a lease price for the building. He eventually leased it to his campaign for \$6.75 per square foot, the amount paid by him for the mortgage, maintenance, taxes, and insurance on the building.

## *2. Legal Issues*

The applicable House rule involved is Rule XLIII, clauses 1 and 6, which are quoted in the preceding section. Again, the question involved is whether Representative Boner took undue advantage of his campaign committee's funds.

## *3. Evidence Obtained*

Committee staff's investigation of the facts surrounding this transaction shows Representative Boner submitted documents verifying the fact that he purchased this building on June 15, 1984, for \$80,000. On July 1, 1984, he began leasing this building to his campaign committee for approximately \$6.75 per square foot per year. He submitted three separate appraisals stating that this property would be fairly rented at a price of \$10 to \$14 per square foot per year. (Appendix A.) Thus, the congressman made no profit from the lease of the building to his campaign. Indeed, he leased the building for an amount less than he could have fairly done so. Therefore, no allegation of impropriety on the part of Representative Boner has been sustained in regard to the actual lease of the building to his campaign committee.

However, a legitimate question remains as to whether Representative Boner violated House Rule XLIII, clause 1, by virtue of his actions regarding this leasing arrangement. The money gained from the lease of this building will be applied toward Representative Boner's ownership interest in it. Eventually, he will own the building. In effect, he is using campaign funds to buy the building for himself.

In undertaking this endeavor, Representative Boner apparently relied on a written opinion from this Committee dated June 2, 1982, which dealt with the propriety of leasing a word processing machine owned by him to his campaign committee. (Appendix A.) While the Committee responded that an arrangement of this type would not violate House Rule XLIII, clause 6, provided it were an arm's length transaction, it stated that the arrangement "should be undertaken with extraordinary care and caution because of the appearance that could arise that the arrangement is a prohibited conversion of campaign funds."

## *4. Conclusion*

In the staff's view, while Representative Boner did not violate House Rule XLIII, clause 6, due to the fact that he leased the building at a rate below fair market value, this arrangement by which the congressman would own an \$80,000 building through the expenditure of his campaign's money, combined with his pattern of acquiring ownership of thousands of dollars worth of equipment ultimately unpaid for by his campaign, could lead to a conclusion



that he violated House Rule XLIII, clause 1, by engaging in conduct bringing discredit on the House.

### C. ALLEGATION REGARDING LEASE OF EQUIPMENT FROM LETTERS UNLIMITED

An article in one magazine states, without going into detail, that Representative Boner has created two "computer companies," and since 1983 has leased computer equipment from those companies to his campaign committee. One of these companies is Letters Unlimited ("Letters").

#### *1. Representative Boner's Position*

Representative Boner stated that Letters was a sole proprietorship formed December 9, 1981, which was organized to perform direct mailing services. As the owner of Letters, Representative Boner purchased an IBM word processor and financed it through a note at First Union Bank. The note was secured by the equipment purchased. He then leased this equipment to his campaign committee for \$950 per month, an amount less than its fair market rental value. All money paid by the campaign committee to Letters was applied toward the loan on the equipment and additional operating costs. From October 1985 to the present, the campaign committee has used this equipment free of charge and, once the note on it was paid off, he donated it to the committee. (Appendix A.)

#### *2. Legal Issues*

The legal considerations here are, again, House Rule XLIII, clauses 1 and 6.

#### *3. Evidence Obtained*

Once again, investigation of this transaction, standing alone, reveals no improprieties. Representative Boner has submitted documents verifying that, after forming this sole proprietorship and purchasing the word processor, it was leased to the campaign committee for \$950 per month, a price which included maintenance and service fees. Prior to this lease, Representative Boner obtained an estimate from IBM stating that the fair market rental value of this machine would be \$1,008 per month, not including the maintenance and service fees, and \$1,146 with those services. (Appendix A.) Thus, his campaign committee paid less than the fair market value for the equipment rented from Representative Boner. Before undertaking this arrangement, he sought the opinion of this Committee as to its legality and structured the deal so as to conform to the Committee's guidelines.

While the terms of the lease reveal no impropriety, the Committee staff has additional concerns regarding the Letters equipment. At the close of the investigation, the staff had reason to believe the IBM word processor owned by Letters may have been used to do work for organizations other than Representative Boner's campaign committee. This concern was due to the fact that the last submission of evidence from counsel for Representative Boner states, "We are still not sure whether Letters Unlimited did any work for outside entities." (Appendix G.)

In time, the congressman may indeed have been able to present evidence clearing up this matter. However, at the time of his resignation, questions still remained.

#### *4. Conclusion*

If Letters did indeed do work for organizations other than the campaign committee, the question would be raised whether this work was done with the equipment leased to the campaign, at the time it was leased to the campaign, and at facilities owned by the campaign. If this were the case, Representative Boner would be in violation of House Rule XLIII, clause 6, by having converted campaign funds to personal use, and by having expended funds from this campaign account not attributable to *bona fide* campaign purposes.

Additionally, the fact that Representative Boner was once again involved in using his campaign to acquire ownership rights in property causes concern to the Committee staff, regardless of the fact he eventually donated it to his campaign. As with the Bonneville automobile, the car phone, and the \$80,000 building, this equipment was being paid for by Representative Boner's campaign committee while ownership rights were going to him. This pattern of using his campaign to acquire personal ownership was a disturbing recurrence that could lead to a conclusion that Representative Boner violated House Rule XLIII, clause 1, by engaging in conduct reflecting discreditably on the House.

#### **D. ALLEGATION REGARDING CAMPAIGN EQUIPMENT LEASE FROM TARGETED COMMUNICATIONS**

The other "computer company" referred to by the media was Targeted Communications.

##### *1. Representative Boner's Position*

Representative Boner explained to the Committee that this entity was established by him as a solely-owned Subchapter S corporation whose purpose was to assist in letter-writing services. Targeted then purchased and financed numerous pieces of equipment associated with these types of services. Targeted leased this equipment to Representative Boner's campaign committee at less than its fair market rental value. The total monthly payments Targeted had to make for the financing, maintenance, and related costs were approximately the same as the total amount for which the campaign committee leased the equipment. The money paid by the campaign committee for this equipment was applied directly to the loans for the equipment and related expenses. (Appendix A.)

##### *2. Legal Issues*

As with the other allegedly improper rentals to the campaign, the applicable rule is House Rule XLIII, clauses 1 and 6.

##### *3. Evidence Obtained*

Documents submitted by Representative Boner buttress his assertion that no impropriety was involved in the actual leasing terms of this equipment. They indicate that Targeted purchased a

Pitney-Bowes Mail System, Xerox copier, MEL dialing machine, and related computer equipment and supplies, which were then leased to his campaign for amounts approximately equal to Targeted's payments for financing, maintenance, and related costs. (Appendices A and E.)

Before the leasing of the equipment to the campaign committee by the solely-owned corporation, Representative Boner obtained written statements as to its fair market rental value from the companies who manufacture the equipment. (Appendix A.) All rental fees paid by the campaign committee for the use of this equipment are consistent with these estimates. (Appendix A.) Therefore, the terms of the leasing agreements, standing alone, reveal no improprieties. However, analysis of a summary financial statement of Targeted provided by Representative Boner to the Committee revealed "miscellaneous" receipts of \$8,968.96 in 1982 and \$1,164.70 in 1983. (Appendix E.) This observation raised the question of whether outside work was performed by Targeted during the time the machinery was being leased to the campaign. Committee staff asked counsel for Representative Boner to produce all information pertaining to work done by Targeted for any sources outside of the congressman's campaign committee. Counsel for Representative Boner said they had found receipts showing that NLT Computer Services Corporation (NLT) and Shoney's were clients of Targeted. A check for \$70.20 from Shoney's and two checks totalling \$936.56 from NLT were sent to the Committee. (Appendix G.)

The dates of these checks, January 10, 1983, January 21, 1983, and January 13, 1983, combined with the fact that their total amount was so small in comparison to the total amount of Targeted's miscellaneous receipts, prompted the Committee to investigate further into this matter. The staff contacted Mr. Steve Barkley of Endata Corporation, the company that was formerly NLT, regarding work done by Targeted for that company. He sent the Committee yearly summaries of the total amount of work Targeted did for Endata. This summary revealed that Endata paid Targeted \$7,834.04 in 1982 and \$653.32 in 1983. (Appendix H.)

The gross disparity in amounts between what was sent to the Committee by Representative Boner's counsel and the information obtained from Endata, led to a further search to determine what equipment was used for outside work, and exactly when it was used, for the years 1982 and 1983.

In this regard, Committee staff analyzed a document submitted by Representative Boner which listed the dates of payment for the pieces of equipment purchased by Targeted in 1982. This information was compared with the lease agreements between Targeted and Representative Boner's campaign committee submitted by him for each piece of equipment. This comparison revealed that the Xerox copier and Pitney-Bowes mailing equipment were purchased September 20, 1982, and rented to the campaign October 1, 1982, and that the MEL-3000 dialing machine was purchased September 23, 1982, and leased to the campaign March 17, 1983. (Appendix E.)

The Committee staff then contacted Ms. Doris Bland and Mr. Howard Eley to see if they knew any other details regarding what work may have been done with this equipment, where it was done, and for what organizations. Ms. Bland stated she knew nothing

about these questions and that all records had been turned over to Representative Boner's attorney. Mr. Eley stated that he did not wish to discuss the matter and that any questions the Committee had should be submitted, in writing, to his attorney. (Exhibit 7.)

#### *4. Conclusion*

The Committee staff has not reached a final conclusion regarding the issues of whether Targeted's equipment was used to do work for other companies at the same time it was being leased by Representative Boner's campaign committee, and whether this work was done at campaign facilities. The next step in the staff's investigation of this matter would have been to demand the journals and ledgers of Targeted to ascertain whether any improprieties occurred.

While Representative Boner may indeed have been able to clear up this matter if given more time, at the termination of the investigation this issue remained unresolved.

The other issue involving possible impropriety as to the lease of this equipment concerns its appearance of taking undue advantage of the campaign funds for Representative Boner's personal enrichment, to the point that his actions constitute behavior reflecting discreditably on the House.

Just as he had done regarding the leasing to his campaign of the IBM word processor, Representative Boner relied on the advisory opinion issued June 11, 1982, which was discussed earlier in the report. By renting the equipment at a price below fair market value, Representative Boner avoided violation of House Rule XLIII, clause 6. However, the Committee staff was disturbed by the congressman's systematic pattern of using his campaign committee's funds to purchase items to which he would eventually have ownership rights. Use of his campaign to purchase over \$100,000 of equipment, a \$17,000 automobile, an \$80,000 building, and a \$3,000 car phone could lead to the conclusion that Representative Boner may well have violated House Rule XLIII, clause 1, by engaging in conduct reflecting discreditably on the House.

#### *5. General Conclusion of Representative Boner's Leasing Arrangements*

A critical question in evaluating improprieties regarding Representative Boner's leasing arrangements with his campaign committee was whether his actions constituted conduct reflecting discreditably on the House.

As stated earlier, Representative Boner apparently justified his leasing arrangements by relying on an advisory opinion letter from this Committee dated June 11, 1982, which stated that a Member could engage in a transaction of this type provided it was conducted in an "arm's length" fashion.

Because of this advisory opinion, the Committee staff has been unable to conclude that Representative Boner acted improperly in regard to any individual leasing arrangement with his campaign. And, indeed, had the congressman engaged in only one of any of these leasing arrangements, the staff would have had no reserva-

tions in stating that his conduct was appropriate under House rules.

This was not the case with Representative Boner, however. The advisory opinion on which he relied dealt with one piece of equipment, an IBM word processor. After completing this arrangement, he repeated it again and again. By the time he was finished, he had used his campaign's funds to acquire ownership rights in over \$200,000 worth of property. The appearance of impropriety created by Representative Boner's repeated use of his campaign's money to acquire personal ownership rights leads the Committee staff to conclude that this practice constitutes conduct reflecting discreditably on the House, thus placing him in violation of House Rule XLIII, clause 1.

#### E. EMPLOYMENT OF DORIS BLAND

It was reported by the media that FEC records show that since 1983 Representative Boner's campaign committee has employed his sister, Ms. Doris Bland, paying her a little over \$25,000.

In Representative Boner's response to the Committee regarding this issue, he does not deny his campaign employed his sister. He submitted no documents regarding this employment. But there was no need to do so. There is no House rule or Federal statute which would prevent the hiring of his sister by his campaign committee. If Representative Boner's prospective campaign contributors object to the fact that his sister may be hired by the campaign committee, then they are free to decline to contribute. However, the fact remains that there is nothing to prevent him from doing so. As to this allegation, no impropriety has been established.

#### F. REIMBURSEMENTS FROM CAMPAIGN

Representative Boner was reported in a January 1986 article to have been paid by his campaign committee \$73,308 since 1983 for constituent entertainment, presentations such as honorary framed plaques, and gifts. Most of the payments went either directly to Representative Boner and his wife, his American Express account, or other credit card accounts of the congressman.

##### 1. Representative Boner's Position

In his response to the Committee, Representative Boner stated that, aside from some miscellaneous expenses, reimbursements fell into four categories: (1) constituent presentations, (2) food and receptions, (3) travel, and (4) donations and dues. (Appendix A.) He submitted a summary of campaign expenditures for 1985, broken down into these categories but without stating specifically what each expenditure was for. (Appendix A.)

##### 2. Legal Issue

The applicable rule is House Rule XLIII, clause 6. In order to evaluate whether an impropriety has occurred in relation to Representative Boner's reimbursement for campaign expenditures, it is first necessary to review the background of what constitutes a *bona fide*, legitimate campaign expenditure.

The standard source to which Members may turn for guidance concerning this issue is the "Ethics Manual for Members and Employees of the U.S. House of Representatives." It states, at page 125:

As discussed in the House during the debate preceding the adoption of H. Res. 287, no specific definition of "bona fide campaign purpose" is provided in the rules, and what would be considered a legitimate, or bona fide political or campaign expense, would depend on the particularized facts of a specific situation:

We sought to make no strict definition of political expenses. What is political is a matter of fact rather than of definition. We believe that if a Member travels home for a political purpose, and it is covered by his volunteer committee out of political accounts, that this is a political expense.

However, what we have tried to do is to confine expenses from political accounts or volunteer committee accounts to expenses that are political. By and large, that definition will be left up to the Member and to his volunteer committee, and as it is broadly defined under the election law.

Therefore, the rules regarding what constitutes a *bona fide* campaign purpose are extremely flexible, and the individual Member is given wide latitude to use his discretion.

### 3. Analysis

As part of its investigation into this allegation of improper use of campaign funds, Committee staff requested that Representative Boner turn over documentation as to the specifics of how he and his wife spent the funds for which they were reimbursed during the years 1983 through 1985. The staff requested the underlying vouchers showing the actual expenditures for which they were reimbursed, either directly from the campaign to themselves, or indirectly from the campaign to their credit card accounts.

There were numerous facts about the submissions for these expenditures that the Committee staff found troubling. One concern was that the congressman did not submit any vouchers for reimbursements to his wife, nor were any vouchers submitted for indirect payments to the Boners, i.e. payments to their credit card accounts. The failure to submit these vouchers make it impossible to determine whether the funds had been used for legitimate campaign purposes.

In addition to this concern, another troubling fact was uncovered while investigating a separate area of allegations—reimbursement for honoraria-related travel. Representative Boner's Financial Disclosure Statement for calendar year 1984 listed reimbursements for travel expenses by the R.J. Reynolds Tobacco Company and the Tobacco Institute, for speeches given at Winston-Salem, North Carolina, on April 18 and 19, 1984. During the staff's review of Representative Boner's vouchers during this time period, a reimbursement from the campaign was found for airfare for his daughter to

this same location at the same time. (Appendix G.) It appears, therefore, that Representative Boner went to North Carolina to give speeches to receive honoraria payments and claimed that it was a legitimate campaign expense to have his daughter flown there with him. The reimbursement for this ticket was not specifically listed on Representative Boner's FEC report, but staff investigation revealed that its cost was apparently included in a reimbursement for "district travel" to the congressman. (Appendix I.)

#### 4. Conclusion

While Representative Boner has not had the opportunity to specifically address these findings, the Committee staff feels that further investigation would have been warranted as to the allegation that Representative Boner improperly received reimbursements from his campaign committee in violation of House Rule XLIII, clause 6. The fact that he would use campaign funds to fly his daughter to appearances in North Carolina for which he was to receive a total of \$3,000 in honoraria money has led the staff to conclude that Representative Boner used his campaign committee's funds for something other than *bona fide*, legitimate campaign purposes.

Additionally, the fact that vouchers for all reimbursements were asked for and not given would have led the staff to demand that Representative Boner produce them, including the reimbursements made to Mrs. Boner and those made to their credit card accounts.

#### G. PURCHASE OF OFFICE FURNITURE

It was reported in the press that Representative Boner bought \$5,000 worth of furniture for his Nashville home and paid for it with campaign funds.

##### 1. Representative Boner's Position

Representative Boner explained in his statement to the Committee that, before purchasing the building to house his campaign offices, he was using part of his house for his year-round campaign activity. The campaign committee paid for a few pieces of office furniture for use in an office set up in the upstairs back room of the congressman's house, and campaign and personal activities were kept separate. (Appendix A.)

##### 2. Legal Issue

The rule applicable to this allegation is, once again, House Rule XLIII, clause 6.

##### 3. Analysis

In determining whether House Rule XLIII, clause 6, was violated in this instance, two snapshots Representative Boner submitted of a desk and some other office equipment, are hardly conclusive as to his claims. (Appendix A.)

##### 4. Conclusion

However, there is no evidence before the Committee staff contradicting Representative Boner's explanation of this charge of impro-

priety. Therefore, it is the staff's conclusion that no impropriety has been proven.

#### H. TRIP TO HONG KONG

The final allegedly improper use of campaign funds reported by the press was that Representative Boner's campaign committee paid \$4,143 for a side trip he and his wife made from Taiwan to Hong Kong, and for entertainment and constituent gifts they purchased in Hong Kong and Taipei.

##### 1. Representative Boner's Position

To justify this use of campaign funds, Representative Boner began by saying that in 1982 he was elected to the chair of the U.S. Congressional Travel and Tourism Caucus (Caucus). The Caucus has, as its principal goal, the promotion of tourism and travel to and within the United States. Representative Boner has worked hard to promote its goals. The Caucus has helped Representative Boner make political and other contacts with other Members and with people all over the world. He stated that there can be little doubt he has been able to increase his political status and position through his work in the Caucus. It would be expensive and unfair for him to undertake his Caucus activities using only personal funds. He concludes, therefore, that given the great discretion provided to campaign-related activities and the fact that his activities for the Caucus do so clearly help with his political position, Representative Boner has legitimately used campaign funds to defray the cost of some of his Caucus activities.

After spending a week in Taiwan at the expense of the Sino-American Cultural and Economic Association, the Boners flew to Hong Kong where they stayed for three days. Representative Boner had arranged to meet with the United States Ambassador and other embassy officials. The Ambassador could not meet as planned, but Representative Boner did talk with other embassy officials about American relations and repossession of Hong Kong by mainland China. In addition, Representative Boner also met with hotel managers and merchants to discuss trade and tourism. His statement to this Committee says:

He certainly had business meetings in Hong Kong, and *he most definitely was meeting people in his capacity with the Caucus*. All of these meetings enhanced the Congressman's knowledge and contacts and, in turn, were related to his political activities. [Emphasis added.] (Appendix A.)

Representative Boner submitted no documents in connection with his statement regarding the trip to Hong Kong. Instead, he explained that conducting Caucus business enhanced his knowledge and contacts and, thus, were related to his political activities.

##### 2. Legal Issues

The legal considerations applicable in the analysis of this trip are House Rule XLIII, clause 6, and House Rule XLV.



### 3. Analysis

The congressman's justification regarding this use of campaign funds is unsatisfactory. The U.S. Congressional Travel and Tourism Caucus is a registered Legislative Service Organization and has been one since October 1979. Business conducted on behalf of this Caucus is official business and cannot be paid for with campaign funds. To state that conducting Caucus business enhances political position, and, thus, may be paid for with campaign funds, is no different than saying that *any* official congressional business enhances political position and, thus, may also be paid for with campaign funds.

House Rule XLIII, clause 6, states:

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

By using campaign funds for official purposes, Representative Boner violated this rule by expending funds from his campaign account not attributable to *bona fide* campaign purposes.

House Rule XLV states, in part:

1. On or after January 3, 1978, no Member may maintain or have maintained for his use an unofficial office account.

2. After the date of adoption of this rule, no funds may be paid into any unofficial office account.

This rule has been interpreted to act as a prohibition against the subsidization of official business by outside entities. Representative Boner's campaign committee is an outside entity which subsidized his official Caucus business by paying for his trip to Hong Kong. By using his campaign funds to pay for this trip, Representative Boner apparently violated this rule also.

### 4. Conclusion

While Representative Boner has not had the opportunity to respond to the staff's conclusions regarding his use of campaign funds to subsidize official business, at the close of the investigation it is the staff's belief that his use of campaign funds to pay for his trip to Hong Kong placed him in violation of House Rule XLIII, clause 6, and House Rule XLV.

## VI. ALLEGATIONS REGARDING IMPROPER BUSINESS TRANSACTIONS

Impropriety was alleged in the media against Representative Boner in regard to several business transactions in which he took part.

## A. GARY PRICE

Two of these ventures involved Mr. Gary Price, a Nashville real estate developer. Supposedly, Mr. Price was a close friend of Representative Boner.

It was reported that in September 1983 Mr. Price allowed Representative Boner to buy into a promising real estate venture for \$5, for which he would receive a 5-percent interest in a proposed \$18 million Radisson Hotel in Greenville, South Carolina. The congressman did not have to guarantee any of the several million dollars in loans obtained for the project and would bear no for the liability if it failed.

Mr. Price is quoted as saying of the deal: "I gave it to him as a gift because he is a close personal friend. You can give gifts to anybody." However, Representative Boner's Financial Disclosure Statement for calender year 1983 makes no mention of the Radisson transaction under any category, gifts or otherwise. His 1984 statement lists the Radisson venture in the "Positions" category.

The second transaction involving Mr. Price occurred in 1984. This time Representative Boner put up \$50 for a 5-percent interest in a Shoney's Inn and Restaurant in Richmond, Virginia, whose value is estimated at \$5.2 million. Again, Representative Boner incurred no liability and, again, he failed to list this interest on his Financial Disclosure Statement.

As part of its allegation of impropriety involving these business transactions, the media reported an incident in 1981 in which Representative Boner aided the Shoney's company. In that year there was a Federal investigation of contaminated meat and Shoney's had several thousand pounds of its meat detained. Representative Boner personally called Federal officials to ask them to speed up their investigation.

### *1. Representative Boner's Position*

Representative Boner addressed these allegations of impropriety in his response to the Committee. He stated that, as to the hotel in Greenville, South Carolina, there were five general partners and three limited partners. The total capitalization of the partnership was only \$100. Each of the general partners contributed \$20 for a 20-percent interest; one limited partner contributed \$10 for a 10-percent interest; and Representative Boner and the remaining limited partner put in \$5 each for a 5-percent interest.

Representative Boner explained the lack of liability by stating that, under Tennessee law, limited partners could not sign, or be liable, for losses beyond their individual investments. In August 1984, when the parternship purchased the property in South Carolina and sought financing for it, none of the limited partners could or did guarantee the loans.

Representative Boner says he did not report the holding in Greenville, South Carolina, on his 1983 Financial Disclosure Statement because he mistakenly believed the partnership was not activated until January 1984. He has since corrected the omission. (Appendix A.)

As to the Shoney's in Richmond, Virginia, Representative Boner stated that the total capitalization for this project was \$1,000. In

addition to the general partners, there were two limited partners who each contributed \$50 for a 5-percent interest in the venture. In November 1984 the partnership applied for, and received, a \$5 million loan to purchase land and construct the inn. Again, Representative Boner did not guarantee the loan but, as a limited partner, he was not authorized to guarantee any investment beyond the capital he contributed. He pointed out that his participation in the partnership was no different than that of the other limited partner, or of limited partners in general. (Appendix A.)

## *2. Legal Issues*

The legal considerations applicable to Representative Boner's ventures with Mr. Price are House Rule XLIII, clauses 3 and 4; 18 U.S.C. § 201(g); the Ethics in Government Act of 1978, section 102(a)(6); and the Code of Ethics for Government Service, consideration #5.

House Rule XLIII, clause 6, was quoted in the previous section. Clause 4 of that rule, at the time in question, stated in part:

A Member, officer, or employee of the House of Representatives shall not accept gifts (other than personal hospitality of an individual or with a fair market value of \$35 or less) in any calendar year aggregating \$100 or more in value, directly or indirectly, from any person (other than a relative of his) having a direct interest in legislation before the Congress or who is a foreign national (or agent of a foreign national). . . .

18 U.S.C. § 201(g) states that the following constitutes a violation of the statute:

Whoever, being a public official, former public official, or person selected to be a public official, otherwise than as provided by law for the proper discharge of official duty, directly or indirectly asks, demands, exacts, solicits, seeks, accepts, receives, or agrees to receive anything of value for himself for or because of any official act performed or to be performed by him.

Section 102(a)(6) of the EIGA states that a Member's Financial Disclosure Statement must contain—

The identity of all positions held on or before the date of filing during the current calendar year as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. This paragraph shall not require the reporting of positions held in any religious, social, fraternal, or political entity and positions solely of an honorary nature.

And finally, the Code of Ethics for Government Service, consideration #5, states that any person in Government should—

Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration

or not; and never accept for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.

### *3. Evidence Obtained*

In analyzing the transactions for improprieties in regard to House Rule XLIII, clause 4, the "gift rule," the key question is whether there was a gift involved or whether these were legitimate business deals.

Representative Boner submitted to the Committee a document which showed that the total capitalization for the Greenville, South Carolina, venture was \$100, and that his investment was comparable to that of the other two limited partners. It shows one limited partner contributed \$10 for a 10-percent interest and the other contributed \$5 for a 5-percent interest, just as Mr. Boner did. (Appendix A.)

Under Tennessee law, a limited partner may only be liable for the amount of his investment. Thus, there is nothing improper about the fact that Representative Boner was only liable for his own investment in the venture. Indeed, as a limited partner, that was all for which he could be liable.

As to the Shoney's in Richmond, Virginia, the same analysis applies. Representative Boner submitted a document showing the total capitalization of that venture to be \$1,000. Representative Boner's investment was exactly the same as that of the other limited partner. Each contributed \$50 for a 5-percent interest. (Appendix A.) Again, under Tennessee law, Representative Boner could not be liable for anything beyond the amount he invested. There is nothing improper about the fact that he did not guarantee the loan.

### *4. Conclusion*

It is the Committee staff's opinion that these business ventures do not constitute gifts to Representative Boner. He was given the same opportunity as several other people and he invested the same amounts as they did. By law, he could only be liable for the amount of his investment.

Analysis of the facts as to the EIGA, § 102(a)(6), shows that Representative Boner failed to list the hotel venture on his Financial Disclosure Statement for calendar year 1983, thus placing him in violation of the EIGA. He claims this was an honest mistake based on an erroneous belief as to when the partnership became activated. He has since corrected the error. (Appendix I.)

Another possible impropriety regarding Representative Boner's actions as to the ventures with Mr. Gary Price would arise from his intervention in the Shoney's meat impoundment. The suggestion in the media is that Representative Boner's actions were tied into his dealings with Mr. Price and Shoney's. If true, staff believes he may have violated House Rule XLIII, clause 3, by using his office for personal gain, and 18 U.S.C. § 201(g), by performing an official act in return for a benefit.

Representative Boner does not address this issue in his statement to the Committee. It is impossible to be certain if the business ven-

ture and his official act were linked. However, it must be pointed out that it is a legitimate function of a Member of Congress to act as a "go-between" of his constituents and government agencies. A Member may express his desire to an agency that a particular matter be handled fairly and quickly. Given the facts that even the media alleged only that Representative Boner speeded up the decision involving the meat, and the impossibility of ascertaining his true motivation for doing so, the staff believes these allegations should be dismissed.

While the Committee staff cannot state conclusively that the real estate ventures and Representative Boner's actions regarding the meat impoundment may indicate a violation of 18 U.S.C. § 201(g) and House Rule XLIII, clause 3, his actions may give rise to a violation of the Code of Ethics for Government Service, consideration #5.

The facts reveal Representative Boner was given the opportunity to buy into a business venture allegedly worth approximately \$5 million for an investment of only \$50. Additionally, Representative Boner, as a limited partner, could only have lost \$50 in the event the venture failed. No one can deny this is an extremely generous opportunity. Taking actions in his official capacity which would benefit the man who had given him this opportunity could very easily constitute the acceptance of a benefit under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties. These actions could be deemed a violation of ethical consideration #5.

#### B. J. HAROLD SCHANKLE

Representative Boner is alleged to have engaged in improper conduct arising out of his business dealings with Mr. J. Harold Schankle, a Nashville building contractor and allegedly a close friend of Representative Boner. These ventures are described along with an incident in which Representative Boner intervened in a matter, on behalf of Mr. Schankle, involving the Veterans Administration (VA). The implication is that Representative Boner took this official action because of his business relationship with Mr. Schankle. To evaluate the possibility of improprieties, the Committee staff had to determine (1) whether the individual business transactions were proper, (2) whether the help Representative Boner gave Mr. Schankle was proper, and (3) whether this help was given because of the business relationship between the two men.

##### *1. Representative Boner's Position*

The first business venture reported in the press involved property in Florida. It was reported that in 1981 Mr. Schankle, Representative Boner, and another associate, Mr. Ronald Boyle, formed a partnership called B,B&S Enterprises. This partnership then purchased a condominium in Destin, Florida.

In his statement to the Committee, Representative Boner does not deny this transaction took place but states that there is nothing illegal about it. The purchase price was \$163,000 and each partner paid a one-third share. (Appendix A.)

The second business venture reported in the media involved three East Nashville properties. Representative Boner and Mr. Schankle purchased these properties for \$73,500 and sold them within two years for \$152,600.

Representative Boner does not dispute the properties were purchased by him and Mr. Schankle, but says there is nothing illegal about it. Each loan was arranged at the market rate, and Representative Boner's contribution to, and risk in, the venture were the same as Mr. Schankle's. (Appendix A.)

The final real estate venture Representative Boner shared with Mr. Schankle that was reported in the media was the purchase of a run-down house located at 614 Russell Street, a couple of blocks from Representative Boner's Nashville home. Reportedly Representative Boner and Mr. Schankle purchased the house for \$21,000, as equal partners, although real estate and probate court records show that Mr. Schankle paid the entire amount. Representative Boner immediately sold his half for \$10,500 cash to Mr. Schankle, who sold the entire house for \$10,500 to B&S Enterprises. A year later, with no improvements having been made, the house was sold for \$42,000. Records indicate that, although Representative Boner put no money down, he received a \$10,500 cash payment and shared in half the \$42,000 sales price.

Representative Boner's version of the purchase of this property is that on November 12, 1981, Mr. Schankle paid \$3,150 from his personal funds as a deposit to hold the property. Mr. Schankle then paid the balance of the purchase price on November 23, 1981. He represented that the purchase was on behalf of B&S Enterprises, and the receipt from the Clerk's Office lists Representative Boner as the co-owner. On November 30, 1981, the B&S account at the United Savings Bank was debited \$21,150.74 in payment of the cost of the property. Mr. Schankle got back his down-payment money and Representative Boner was debited for one-half the purchase amount. Representative Boner also claimed that over \$23,000 in improvements were made to the property.

After Mr. Schankle purchased and was paid back for the property from B&S funds, he decided to convert the property for low-income rental and receive federal money to do so. When Representative Boner found out, he says he quit-claimed his interest in the property. Mr. Schankle then changed his mind and Representative Boner was given back his interest. No money ever changed hands. (Appendix A.)

In conjunction with its reports of these business transactions, the press stated that Representative Boner intervened on Mr. Schankle's behalf with the VA. The implication is that Representative Boner was paying back Mr. Schankle for these opportunities by getting him special treatment.

It has been reported that in 1983, the same year they sold all the houses, Mr. Schankle had inadvertently omitted the costs of asbestos removal from his low-bid offer of \$1.05 million to the VA to renovate a laboratory at Nashville VA Medical Center (VAMC). Mr. Schankle wanted his bid increased by \$60,000 and the VA refused. Representative Boner had staff members call VA officials in Nashville on three separate occasions, after which Representative Boner

himself called a VA official in Washington. Mr. Schankle was subsequently allowed to add the \$60,000 to his bid.

Representative Boner's statement to the Committee portrayed this event as a legitimate constituent service in which no improper influence was used. The statement claims that Mr. Schankle, after discovering an innocent mistake in this bid, called Representative Boner's office for information regarding VA bid procedures. An aide to the congressman arranged for a meeting with Mr. Schankle and the VA in Nashville. At that meeting, Mr. Schankle was asked to substantiate his claims regarding the bid. He delivered this information to them, and it was forwarded to an official in Washington, without a recommendation. Representative Boner called this Washington official to make a status inquiry, and nothing more. The VA independently decided to allow Mr. Schankle to amend his bid. (Appendix A.)

## *2. Legal Issues*

The applicable legal considerations are the Code of Ethics for Government Service, consideration #5, House Rule XLIII, clauses 3 and 4, and 18 U.S.C. § 201(g).

The first step in analyzing Representative Boner's conduct in regard to Mr. Schankle for possible improprieties is to determine whether the business transactions in which the two men participated were legitimate and proper.

## *3. Evidence Obtained*

As to the purchase of the condominium in Destin, Florida, Representative Boner submitted a document showing that he paid his fair share for the property. (Appendix F.) There is no rule prohibiting Members of Congress from engaging in outside business transactions. There was nothing improper about the transaction itself, and it was properly reported. No impropriety as to the transaction itself has been established.

The second business arrangement to be analyzed regards the purchase and sale of the three East Nashville properties. Representative Boner stated each loan was arranged at the market rate, and his contribution and risk in the venture were the same as Mr. Schankle's. (Appendix A.) He submitted documents verifying that his contribution to, and risk in, the venture were indeed the same as his partner's. (Appendix F.) Given this fact, and the fact that the transaction was properly reported, the Committee staff concludes that no allegation of impropriety has been sustained.

The final transaction to be analyzed regards the property located at 614 Russell Street in Nashville. Representative Boner submitted documents to the Committee verifying that Mr. Schankle paid \$3,150 from his personal funds as a deposit on the property, and then paid the balance. The first document was a copy of a check from Mr. Schankle to the Bill Colson Company for \$3,150. The memo on the check reads "Earnest money 614 Russell St." The second document was a letter by the Colson Company which stated, in part, "Received of Harold Schankle, check to Davidson County Court in the amount of \$17,850 in payment of balance of purchase price of house and lot at 614 Russell Street." (Appendix A.)

As to Representative Boner's claim that Mr. Schankle represented that the purchase of the building was on behalf of B&S and listed Representative Boner as the co-owner, the congressman submitted a copy of a receipt from the Davidson County Clerk's Office stating it had received \$21,000 of the Bill Colson Realty Company for the purchase of the 614 Russell Street property. (Appendix A.) While it is true that Representative Boner is listed as a co-owner, no mention is made of B&S Enterprises. Thus, the evidence is inconclusive as to whether the property was purchased on behalf of that entity.

Regarding Representative Boner's claim that the B&S account at the United American Bank was debited \$21,150.74 to pay for the property, the congressman submitted a copy of a Master Note Request for Draw from the United American Bank showing the draw amount to be \$21,150.74, signed by him and Mr. Schankle. He also submitted a copy of a bank record showing the United American Bank advanced \$21,150.74 to B&S Enterprises on December 4, 1981. The Committee staff received no supporting documentation concerning Representative Boner's claim that Mr. Schankle was paid back his money by B&S. Similarly, there is no proof Representative Boner was debited one-half of the purchase price through a payment to Mr. Schankle by B&S.

Regarding the controversy over whether there were improvements made to the property, Representative Boner submitted a copy of a check dated March 5, 1982, in the amount of \$17,500 from B&S to Schankle Construction Company for work done at 614 Russell Street. (Appendix A.) Therefore, to this extent, Representative Boner has verified that improvements were made to the property.

As to Representative Boner's version of this property changing hands via the quit-claim of his interest in it, and subsequently receiving it back from Mr. Schankle, no proof has been submitted. Similarly, Representative Boner said nothing in his statement to the Committee regarding the final sale of the property by B&S except that he made a small profit. (Appendix A.)

While Representative Boner has not had the opportunity to respond to this analysis of the 614 Russell Street transaction, it is the staff's conclusion that the evidence examined does not conclusively show that Mr. Schankle was ever reimbursed for the purchase price of the property, for which he had paid the entire amount. Likewise, there is no proof of the property changing hands via the quit-claim, or the amount of profit realized from its final sale.

To settle these questions, the Committee staff would have asked for Representative Boner to submit documentation establishing Mr. Schankle received the \$21,174 from B&S and that the property was actually purchased on behalf of that entity. And finally, proof would have been requested to buttress Representative Boner's assertion that the title changed hands via his quit-claim of his interest in the property, and Mr. Schankle's subsequent return of Representative Boner's interest in it.

After analyzing the individual transactions to determine if any improprieties existed, it must next be determined whether the help Representative Boner gave Mr. Schankle in regard to his problem with the VA was improper.



Representative Boner has submitted documentation which shows that his office arranged a meeting between Mr. Schankle and some VA officials for the purpose of discussing the mistake in his bid. Analysis of a memorandum of what transpired at that meeting suggests no evidence of the exertion of improper influence on the part of Representative Boner's staff. Another document submitted shows that this matter was then forwarded to an official in Washington, with no recommendation as to its resolution.

Representative Boner also submitted a copy of a report made by an official at the VA whom Representative Boner contacted. This document contains no suggestion whatsoever that Representative Boner exerted undue influence on the official in regard to the outcome. It shows Representative Boner merely called the VA requesting a status report on the correction of Mr. Schankle's bid. (Appendix A.)

Finally, Representative Boner also gave the Committee a copy of a document entitled "Report of Contact" prepared by Mr. Larry Deeters, Director of the VAMC of Nashville, Tennessee. He prepared this report pursuant to his being contacted by a representative of the media regarding the VA's decision to allow Mr. Schankle to amend his bid. Mr. Deeters' summary of the information which was requested and given, states: "To our knowledge, Mr. Boner attempted to have *no* influence on the award of the contracts involved." (Appendix A.)

In conclusion, the documents submitted by Representative Boner show that he did not attempt to influence the VA's decision regarding Mr. Schankle's request to amend his bid. It is a legitimate and important function of a congressman's office to assist constituents who are having problems with a government agency. Part of this assistance may take the form of arranging meetings and requesting status reports. The evidence submitted shows that Representative Boner did nothing more than this. Therefore, the conclusion of the Committee staff is that no impropriety has been established in regard to the assistance provided by Representative Boner and his staff.

The final aspect of the analysis of alleged impropriety involving Mr. Harold Schankle concerns the media's implication that, in return for his investment opportunities, Representative Boner interceded on Mr. Schankle's behalf to get him special treatment at the VA. If the relationship implied were true, Representative Boner's actions would implicate 18 U.S.C. § 201(g) and House Rule XLIII, clause 3.

Analysis of the evidence has shown that Representative Boner and his staff did not attempt to influence the outcome of the VA's decision. Their intervention consisted of the arrangement of a meeting and a status check.

As to whether Representative Boner took this action in return for his investment opportunities cannot be known for certain. However, as stated before, a major function of a Member's office is to assist constituents having trouble with government agencies. Nothing Representative Boner did on Mr. Schankle's behalf was inconsistent with this function. The fact that assisting constituents in this manner is such a common occurrence, and the fact that Representative Boner did not attempt to influence the VA's decision as

to the outcome, compel the Committee staff to conclude that no allegation of misconduct has been sustained.

While no allegation of bribery or use of office for personal gain has been established, it is arguable that Representative Boner violated the Code of Ethics for Government Service, consideration #5, by taking the official action of intervening with a government agency on behalf of someone with whom he was involved in numerous business ventures and by whom his wife was employed.

The staff is especially concerned in this regard in light of Representative Boner's explanation of events surrounding the purchase and sale of the property located at 614 Russell Street in Nashville. Given this explanation of the business transaction, and his subsequent intervention with the VA on Mr. Schankle's behalf, the staff feels that Representative Boner's actions raise a question of whether he violated consideration #5 by accepting a benefit under circumstances which might be construed by reasonable persons as having influenced the performance of his governmental duties.

## VII. ALLEGATIONS REGARDING ACCEPTANCE OF GIFTS

The third major area of alleged impropriety on the part of Representative Boner concerns his acceptance of gifts.

### A. RECREATION VEHICLE INDUSTRY ASSOCIATION

It was reported by the media that, in 1983, Representative Boner wanted to borrow a motor home to take his daughter, a major political supporter, and the supporter's family to Williamsburg, Virginia. He called the President of the Recreation Vehicle Industry Association (RVIA) in a suburb of Washington, who loaned him the RVIA's motor home for eleven days. Representative Boner has never reported the free use of the motor home on his Financial Disclosure Statement.

#### 1. *Representative Boner's Position*

Representative Boner does not deny his use of the vehicle. However, he characterizes its use as a "fact-finding" trip to learn more about recreation vehicles (RV), the value of which trip did not meet the threshold for financial disclosure.

Representative Boner claims that he made arrangements to use the RV with the President of RVIA, Mr. David Humphreys, not for eleven days but for only two weekends, July 23-24 and July 30-31. In order to accommodate the RVIA, Representative Boner picked up the vehicle on July 22 and returned it on August 1. He actually used the vehicle only four or five days. The other days it was kept parked, although still in his possession. The fair market value of the vehicle was \$40 per day. Thus, the total cost for the time it was actually in use was at most \$200, which is below the disclosure threshold for the reporting of reimbursements, which is \$250. Therefore, he was not required to list the use of the vehicle on his Financial Disclosure Statement.

#### 2. *Legal Issues*

The legal considerations applicable to this charge of impropriety are House Rule XLIII, clause 4, and the Ethics in Government Act

of 1978, sections 102(a)(2)(A) and 102(a)(2)(C). House Rule XLIII, clause 4, at the time in question, stated:

A Member, officer, or employee of the House of Representatives shall not accept gifts (other than personal hospitality of an individual or with a fair market value of \$35 or less) in any calendar year aggregating \$100 or more in value, directly or indirectly, from any person (other than a relative of his) having a direct interest in legislation before the Congress or who is a foreign national (or agent of a foreign national). . . .

Section 102(a)(2)(A) of the EIGA states that a Member's Financial Disclosure Statement shall include a full and complete statement with respect to—

The identity of the source and a brief description of any gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source other than a relative of the reporting individual during the preceding calendar year. . . .

### *3. Analysis*

In evaluating this allegation, the Committee staff examined a document submitted by Representative Boner from Mr. David Humphreys, the President of the RVIA, which supposedly confirmed the congressman's version of events. Mr. Humphreys states in his letter that it was he who had approached Representative Boner regarding use of the RV, and Representative Boner eventually took him up on his offer. It was the understanding between the two men that Mr. Boner would use the RV only four days, July 23, 24, 30, and 31, 1983. It was not convenient for RVIA to have the unit returned between July 24-30 since it was not scheduled for use during that time, so Representative Boner kept it the entire eleven days. Mr. Humphreys said he believed the sum of \$40 per day was a reasonable value for the RV. (Appendix A.)

Committee staff followed up the submission of Mr. Humphreys' letter with a telephone conversation with him regarding its contents. One of the questions asked concerned the value he ascribed to the use of the RV.

Mr. Humphreys began by saying that these vehicles normally could not be rented for less than a week at a time, and the normal rental rate would be \$400 to \$500 per week. It had been his understanding, however, that Representative Boner was only going to be driving the vehicle and not using it for anything else, such as cooking and sleeping. Based on this understanding, he estimated \$40 per day was a reasonable rate for using the RV for this purpose only. (Exhibit 7.)

The Committee staff cannot accept the value placed on the use of the RV, or the method used to arrive at the value, offered by Mr. Humphreys. If one rents an item, he is renting the entire item. It is never broken down into whatever particular features of the item are to be used, and the value determined on that basis.

Also, it can be argued that the cost of the vehicle should be judged by the total amount of time Representative Boner had it in

his possession, and not just the days he says he actually used it. The key fact is that Representative Boner had access to the vehicle for eleven days.

Additionally, several days after questioning Mr. Humphreys regarding his valuation of the RV, Committee staff was contacted by Mr. Jerry Loftus, General Counsel for the RVIA. Mr. Loftus stated that there was no way they could establish the rental price for the vehicle used by Representative Boner. (Exhibit 7.) Thus, a key piece of evidence submitted by Representative Boner in defense of his use of the RV, and his failure to list this use on his Financial Disclosure Statement, has not withstood scrutiny.

Keeping in mind the uncertainty regarding the value of the use of the RV, the two possible characterizations of its use must be examined. Representative Boner's use of the RV could either be classified as a fact-finding, mission, or as a gift. The congressman's statement to the Committee was unclear as to which of these he definitively considered it to be.

Members may accept necessary expenses for *bona fide*, legitimate, fact-finding trips directly related to their official duties. The purpose of these trips is for a Member to learn more about matters directly related to his job as a congressman.

On the one hand, it can be argued that driving a RV from Washington to Williamsburg, and then staying in a hotel (as Mr. Humphreys stated was his belief when he arrived at his estimate), is not legitimate fact-finding.

On the other hand, even if Representative Boner's use of the vehicle were deemed to be legitimate fact-finding, the argument could still be made that the value of the expenses was over \$250, and that it should have been listed on his Financial Disclosure Statement under the category for reimbursements. This failure to list the reimbursement for the trip would place Representative Boner in violation of the EIGA, § 102(a)(2)(C).

The other possible characterization of the use of this RV is that of a gift. Representative Boner's statement to the Committee regarding the valuation of the RV says: "This use is a 'gift' with a value of less than \$250, the threshold for reporting on financial disclosure forms." (Appendix A.) If this were a gift, it is true that it would not have to be reported, provided one accepted Representative Boner's valuation of it, and thus the EIGA would not have been violated. However, under House Rule XLIII, clause 4, Members may not accept gifts totalling \$100 or more in a calendar year from a source with an interest in legislation, regardless of whether it has to be reported. It cannot be disputed that the RVIA has an interest in legislation. Therefore, the only question is whether the value of the gift is \$100 or more. Even if a value as low as \$40 per day were used, Representative Boner would still be in violation of House Rule XLIII, clause 4, by virtue of using the vehicle for four days.

If one accepts Representative Boner's statement at face value, an argument could be made that no violations have occurred. If this trip were characterized as a fact-finding mission to learn more about recreation vehicles, and an estimate of \$40 per day were accepted, and Representative Boner's claim that he only used it four or five days meant that its value to him was under \$250, then no

gift would be involved and it would not have to have been reported on his Financial Disclosure Statement under reimbursements.

In conclusion, Committee staff feels that further investigation would have been warranted regarding the propriety of Representative Boner's use of the RV. Before any definite conclusions could be drawn in this regard, a reliable value for the use of the vehicle would have to be obtained, as well as additional information from the staff of RVIA and Representative Boner himself.

#### B. HONORARIA, CONTRIBUTIONS, AND TRAVEL

It was pointed out by the press that, as chairman of the U.S. Travel and Tourism Caucus, Representative Boner has repeatedly received campaign contributions, honoraria, and free trips from industry representatives. It named several places to which the congressman had traveled.

Representative Boner admits to all these things but points out that there is no law against it. He submitted no documents in response to this allegation of impropriety. There was no reason to do so. Provided he follows the guidelines, there is nothing to prevent Representative Boner's acceptance of trips of this type. Committee staff's review of the trips mentioned in the media articles revealed that each was properly disclosed on his Financial Disclosure Statements. There is no evidence before the Committee staff indicating that Representative Boner was not engaged in legitimate fact-finding activities. Therefore, the conclusion is that no allegation of impropriety has been sustained.

#### C. HYDROPLANE BOAT

It was reported in the media that Representative Boner was the friend of a Nashville boat manufacturer, Mr. Joe Reeves. It was stated that in 1981 Representative Boner arranged for Mr. Reeves to testify before a congressional committee which was considering legislation that Mr. Reeves wanted to see passed. Representative Boner later voted for the legislation and then cosponsored a resolution calling for its full funding.

It is further alleged that Mr. Reeves provided Representative Boner with a 17-foot power boat in 1983. Representative Boner paid nothing for the use of the boat in 1983, 1984, and the first half of 1985. The use of this boat, which has a value in excess of \$10,000, was never reported as a gift on the congressman's Financial Disclosure Statement. Over two years after taking possession of the boat, he bought it for \$7,500.

##### *1. Representative Boner's Position*

Representative Boner described the unfolding of events in a different light. He said in his statement to the Committee that, in the summer of 1983, Mr. Reeves let him use the boat "to decide if he liked it." He used it and decided to buy it. Mr. Reeves then said he would follow up on the sale at a later date. Sometime in 1984, Representative Boner let Mr. Reeves know he was prepared to buy the boat. Mr. Reeves responded in December 1984, saying he wanted to close the deal by the end of the model year, June 1985. In May 1985 Representative Boner paid \$7,449.14 for the boat. He never re-

ported it as a gift because he never considered it to be one. He always intended to buy the boat and it was Mr. Reeves' fault that it took so long to complete the deal. (Appendix A.)

## *2. Legal Issues*

The applicable legal considerations are House Rule XLIII, clauses 3 and 4; the Ethics in Government Act of 1978, section 102(a)(2)(B); 18 U.S.C. § 201(g); and the Code of Ethics for Government Service, consideration #5.

## *3. Analysis*

In analyzing the possibility of a gift rule violation, viable arguments both for and against were considered.

If one takes Representative Boner's version of events at face value, certainly no violation has occurred. It was always his intention to buy the boat. Why should he list it as a gift? People are sometimes allowed to purchase items at no money down and then pay for them later. And, according to Representative Boner, it was Mr. Reeve's fault the transaction took so long to be completed.

Looking at the sequence of events in light of normal business transactions, however, it is apparent that Representative Boner received a gift in the use of the boat. By his own admission, Representative Boner received the boat in the summer of 1983 and did not pay for it until May 1985, a total of nearly two years. How many business transactions are conducted in this fashion?

Added to this long lapse of time is the fact that Representative Boner did not pay for the boat until controversy surrounding his finances had already arisen. Also, if Mr. Reeves wanted to close the deal before the end of the model year, why not close it by June 1984, instead of June 1985?

The critical factor in this instance is the price Representative Boner paid for the boat once he finally bought it. The media alleges the value of the boat was over \$10,000. Representative Boner paid \$7,449, the price he says Mr. Reeves asked him to pay.

Committee staff's contact with a retailer of boats of this kind revealed that in 1983 a Hyrdo-Sport Playmate 150 sold for about \$5,000. The price of a motor for a boat of this type would have ranged from \$4,200 to \$5,500. (Exhibit 7.) Thus, the cost of the boat and motor, brand new, would have been from \$9,200 to \$10,500. Additionally, these boats are usually sold with accompanying trailers costing approximately \$800. (Exhibit 7.) The least this boat would have cost is \$9,200 and Representative Boner paid \$7,500, a savings of \$1,700. This \$1,700 price differential between the value of the boat and what Representative Boner paid for it, combined with the fact that he used it almost two years without paying, could be enough justification to conclude impropriety was involved.

To analyze the possible violation of the use of office for personal gain [House Rule XLIII, clause 3, and 18 U.S.C. § 201(g)], one must answer the question of whether it has been sufficiently proven that Representative Boner got the use of this boat for helping Mr. Reeves with legislation.

House Resolution 165 was a bill introduced in the 99th Congress in 1985. It sought to block the Reagan Administration's impounding of funds for projects such as new lakes and boat ramps. Given

that this bill was not introduced until 1985 and that Representative Boner did not vote on the bill because no vote was ever taken on it, a strong argument exists that an allegation of use of office for personal benefit in connection with this bill cannot be sustained.

The legislation mentioned in the media, for which Representative Boner arranged for Mr. Reeves to testify before the committee considering it, was H.R. 2250 effecting the amendment of the tax law to impose a tax on the sale of sport fishing equipment and boats. Because anyone can sign up to testify before a committee, and because this action occurred roughly two years before the boat incident, it would be difficult to argue that there is sufficient proof to establish an impropriety.

H.R. 2163 was introduced in 1983. It proposed the creation of the Wallop-Breaux Trust Fund for earmarking revenues from user fees and boat gas taxes. The bill was passed by a voice vote of the House, so there is no record of Representative Boner's vote. This appears to be the closest legislation in time to the boat transaction.

All three pieces of legislation do, in fact, concern the boating industry of which Mr. Reeves was a part. The facts presented here create a suspicion that the use of the boat and Representative Boner's actions as a congressman may have been linked. But a suspicion of wrongdoing is not justification enough to state that the evidence is conclusive. Therefore, the Committee staff does not conclude that Representative Boner has violated House Rule XLIII, clause 3, or 18 U.S.C. § 201(g).

While the staff does not feel an allegation of bribery (or gratuity) or a violation of House Rule XLIII, clause 3, has been established, there can be no question that accepting the free use of the boat for two years from a man who had such an obvious interest in boating legislation and for whom he had arranged to testify before a congressional committee, constitutes a violation of consideration #5 of the Code of Ethics for Government Service by accepting a benefit under circumstances which might be construed by reasonable people as influencing the performance of governmental duties. The fact that Representative Boner appears to have received ownership of this boat for at least \$1,700 under its retail value intensifies this appearance of impropriety.

#### D. GIFTS FROM JAMES WELLHAM

The press has reported on Representative Boner's friendship with Mr. James Wellham, owner of the Nashville company, American Specialty Metals, Inc. (ASM), which was involved in defense contracting. It was reported that the two men and their wives often socialized together at expensive Nashville restaurants. The friendship began in 1980 when Representative Boner's office helped Mr. Wellham obtain \$70,000 he was owed by the Department of Defense, but which it was late in paying. At one point, Mr. Wellham gave Representative Boner a \$1,200 tailored suit.

Representative Boner is also alleged to have helped Mr. Wellham get clients. In 1982 they traveled to Los Angeles, with Mr. Wellham's company paying for the airfare, four nights' lodging, and meals. In return, Representative Boner set up a meeting with some

Hughes Helicopter executives and helped Mr. Wellham obtain two contracts.

In 1983 Representative Boner also helped Mr. Wellham by obtaining information on the status of a contract dispute he was involved in at McClellan Air Force Base in California.

### *1. Representative Boner's Position*

Representative Boner's statement to the Committee characterizes the two men as having been good friends who often socialized together and exchanged gifts, as friends do. He states that the media did not report the other half of the tailored-suit story, i.e., Representative Boner had given Mr. Wellham a painting worth \$1,500. They often exchanged gifts at holidays and other appropriate occasions. (Appendix A.)

As to the trip to Los Angeles in 1982, Representative Boner says that at that time Mrs. Boner was working for Mr. Wellham's company. Representative Boner viewed the trip as a way to learn about Mr. Wellham's business and how it fit into defense issues. The congressman used the trip to do fact-finding at two or three defense plants. He reported the trip on his Financial Disclosure Statement for the calendar year 1982. (Appendix A.)

### *2. Legal Issues*

The possible legal considerations involved as to these allegations would be House Rule XLIII, clauses 3 and 4.

### *3. Analysis*

The gift of a suit to Representative Boner by Mr. Wellham would not violate House Rule XLIII, clause 3, if Mr. Wellham were deemed not to be a source with an interest in legislation, i.e. if the gift were given out of personal friendship. Representative Boner stated that the two men were good friends and often mutually exchanged gifts. The suit was reported on his financial disclosure form.

Given these facts, it is difficult for the Committee staff to say that this was a gift from a prohibited source in that it would have to make a questionable judgment call to reach that conclusion. In light of the proper reporting of the gift, this allegation has not been sustained.

The other potential gift violation is Representative Boner's acceptance of the trip to Los Angeles. Since his wife worked for Mr. Wellham at the time, there is no issue concerning her acceptance of it. Representative Boner has characterized this trip as a fact-finding mission to learn more about Mr. Wellham's company and how it fit into the defense industry. He did fact-finding at two or three defense plants. Regardless of possible weaknesses in this explanation, the Committee staff cannot state that this properly-reported trip was not a legitimate fact-finding endeavor. Therefore, no impropriety has been conclusively established.

The other possible violation of House rules, use of office for personal gain, has not been sustained. The Committee staff cannot state that the evidence establishes that Representative Boner did the things he did for Mr. Wellham in return for gifts. While Representative Boner did indeed help Mr. Wellham out and the two



men did exchange gifts, the staff does not conclude that Representative Boner violated House Rule XLIII, clause 3.

### VIII. ALLEGATIONS REGARDING WORK DONE BY MRS. BONER

Allegations have been raised in the media that in three instances Representative Boner helped someone out in return for that person either giving his wife, Mrs. Betty Fowlkes Boner, work or a salary for no work at all.

#### A. WORK FOR JAMES WELLHAM

The press reported that in November 1981 Mr. James Wellham offered a job to Mrs. Boner to work for his company, American Specialty Metals, Inc., for \$25,000 per year. The work was to take place in Washington, D.C. Mrs. Boner was on the payroll of Mr. Wellham's company for 23 months and, during that time, she received 15 monthly checks for \$2,083 made payable to Betty Fowlkes, her maiden name.

For the remaining 8 months, the checks were made payable to Langford, Switzer & King, a law firm she had joined after moving back to Nashville, Tennessee. Two of the partners in the firm are reported as saying that, after receiving the checks from Mr. Wellham, the firm would write a check to Mrs. Boner for the same amount. Mr. Ken Switzer, one of the partners in the firm, is reported as saying that Mrs. Boner never did any legal work to justify the retainer.

By virtue of inferior materials used in some of his defense work, Mr. Wellham faced Federal indictment under the False Claims Act. He then reportedly offered a deal to the prosecutors to give testimony against Representative Boner stating that the payments to Mrs. Boner were bribes for the congressman.

Mr. Switzer is reported to have said that he attended a meeting at which Mr. and Mrs. Boner, Mr. Howard Eley, and Mr. Robert Langford were present. At that meeting, the Boners and Mr. Eley tried to determine something that Mrs. Boner could use as justification for the salary she received because all she did for Mr. Wellham in Washington was to attend a few cocktail parties.

#### *1. Representative Boner's Position*

Representative Boner's statement to the Committee portrays Mrs. Boner as having taken a legitimate job offer and then performing work which justified her salary. He states that it was Mr. Wellham's idea to hire Mrs. Boner because her knowledge of Nashville and Washington would be useful to him. She decided to take the job, and she and Mr. Wellham drew up a contemporaneous job description. (Appendix A.)

In Washington Mrs. Boner did research, kept lists of potential customers, kept up with the awarding of defense contracts, tracked Federal legislation, and did public relations work. Mrs. Boner has no records or copies of this work but numerous reasons for their absence. The payments were made to Mrs. Boner in her maiden name because she is licensed to practice law in that name and uses it when she practices. (Appendix A.)

Eventually, Mrs. Boner moved back to Nashville to work in a law firm there. That firm did work for Mr. Wellham and she continued to receive payments for work she did there, including monitoring Federal legislation in which Mr. Wellham was interested. Representative Boner disclosed his wife's employment, the people at the firm knew of her work and the pay arrangement, and nothing was ever said about it before Mr. Wellham's allegations surfaced. And, finally, Mr. Wellham was given a lie-detector test by the Federal Bureau of Investigation, which he failed. (Appendix A.)

Representative Boner admits that the meeting mentioned by Mr. Ken Switzer occurred, but claims its purpose was only to discuss the Department of Defense audit of Mr. Wellham, due to its potential for embarrassing the congressman. However, at no time was any allegation concerning Representative Boner and his wife mentioned. Regarding the services he performed for Mr. Wellham, Representative Boner states they were done only as a part of his constituent services. (Appendix A.)

## *2. Legal Issues*

The applicable legal considerations are 18 U.S.C. § 201(g); House Rule XLIII, clause 3; and the Code of Ethics for Government Service, consideration #5.

## *3. Analysis*

To answer the question of whether Representative Boner accepted a bribe from Mr. Wellham, in the form of payment to his wife for work she never did, in return for his performance of official acts to benefit Mr. Wellham, one must first examine whether any work was performed by Mrs. Boner.

To support his claim that work was indeed performed, Representative Boner submitted a job description he said was made contemporaneously with her being hired. (Appendix A.) Examination of this job description reveals it is not dated and is not signed by Mr. Wellham. Thus, its value as probative evidence can be legitimately questioned.

Representative Boner submitted no records to substantiate all of the work he claims his wife did for Mr. Wellham. His statement explains this lack of documentation by stating that she worked for a salary and did not have to keep traditional time records; she did not have photocopying facilities to make duplicates of her work; the originals were sent to Mr. Wellham who has probably destroyed them; Mrs. Boner did not have a secretary to keep track of files and records; and she has moved three times since working for Mr. Wellham and, each time, more and more unnecessary things have been discarded. (Appendix A.)

Whatever his excuses may be, the fact is that Representative Boner's evidence to back up his claim that work was actually performed by his wife is unpersuasive. He did, however, submit a document from the Board of Professional Responsibility of the Supreme Court of Tennessee showing that Mrs. Boner is indeed licensed in her maiden name, but this offers little proof regarding the issue of bribery. (Appendix A.)

Representative Boner also submitted a copy of a business card which lists Mrs. Boner as legal counsel to ASM, a photocopy of a

post office box key, and a piece of correspondence dated March 8, 1982, which indicates that she requested a list of defense industry-related companies from someone named Joy, who did not sign her name. (Appendix A.) The only piece of evidence of the three which is of any worth whatsoever is the list of defense companies. If genuine, this would seem to indicate that Mrs. Boner at least did something to earn her pay from Mr. Wellham.

As to the question of whether work was performed by Mrs. Boner after she moved to the Nashville firm, a letter was submitted confirming an agreement between ASM and Langford, Switzer & King, for that firm to provide an attorney continuously on call to give advice and counsel to ASM in all areas of government relations, to track Federal legislation, and to monitor Federal regulations. (Appendix A.)

However, Committee staff contacts with Mr. Ken Switzer, formerly of Langford, Switzer & King, have raised the question of whether Mrs. Boner did anything at all to earn her salary from Mr. Wellham, either while in Nashville or Washington. Mr. Switzer recounted his recollection of the meeting between Representative Boner and Mrs. Boner, Mr. Langford, and Mr. Eley. He also expressed his knowledge of Mrs. Boner's tenure at the law firm of which he was a partner. Because of Mr. Switzer's statements, coupled with Representative Boner's inability to produce documentation of his wife's work, Committee staff was unable to reach any definite conclusions for the purposes of its investigation. While Representative Boner may have eventually been able to produce satisfactory documentation for the work performed by his wife, at the termination of the investigation, this issue had not been finally resolved.

Additionally, Representative Boner's lending assistance to a man by whom his wife was employed, with whom he often socialized and exchanged gifts valuing as much as \$1,500, would violate consideration #5 of the Code of Ethics for Government Service by accepting a benefit under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.

#### B. WORK FOR J. HAROLD SCHANKLE

Mr. J. Harold Schankle is the man with whom Representative Boner had business dealings through their real estate company, B & S Enterprises. He is the man for whom Representative Boner intervened with the Veterans Administration (VA) so that Mr. Schankle would be allowed to raise his bid by \$60,000 to renovate the clinical laboratory at Nashville's VA Medical Center. The allegation of impropriety is that, in return for either his investment opportunities with Mr. Schankle or for the work he gave to Mrs. Boner, Representative Boner interceded on Mr. Schankle's behalf to get him special treatment at the VA. The media reported that Mr. Schankle acknowledges he has employed Mrs. Boner on a couple of real estate closings, and then goes on to point out that there is no mention on tax return summaries provided by Representative Boner of any payments to the congressman's wife.

### *1. Representative Boner's Position*

Representative Boner stated in his response to the Committee that he did nothing improper in the help he gave to Mr. Schankle regarding the VA. He helped this constituent with a problem he was having with a government agency, just as he helps all his constituents having problems with government agencies. He adds that his wife's only involvement in working for Mr. Schankle was to act as his settlement attorney on the closings of four pieces of property, three of which belonged to the congressman as well. The work was done by the law firm of Langford, Switzer & King, for which Mrs. Boner worked at the time. All fees were paid directly to the firm. (Appendix A.)

### *2. Legal Issues*

The applicable legal considerations are, again, 18 U.S.C. § 201 and House Rule XLIII, clause 3, quoted above.

### *3. Analysis*

Representative Boner did intercede in the VA bid on behalf of Mr. Schankle. The questions which need to be answered are whether he improperly interceded and whether the intervention was connected to Mr. Schankle's employment of Mrs. Boner.

The documents submitted by Representative Boner show no improper intervention on the part of either him or anyone else in his office. Mr. Schankle wished to correct his bid submitted to the VA. Representative Boner's office helped arrange a meeting with some VA officials. There is nothing improper in arranging such a meeting.

As to the call made to Representative Boner to the Washington official, there is nothing to indicate that he used undue influence or in any way did anything more than he was allowed to do on behalf of a constituent.

Regarding the question of whether Representative Boner helped Mr. Schankle because of their business dealings or because of work he gave to Representative Boner's wife, no one can know for certain. It must be pointed out, however, that intervening on behalf of a constituent is a legitimate and very common function of a congressman's job. Mr. Schankle is one of his constituents, and Representative Boner helped him out with a problem he was having with a government agency. Whatever one might speculate as to his purpose in intervening, no impropriety has been conclusively established as to House Rule XLIII, clause 3, and 18 U.S.C. § 201.

#### C. WORK FOR JOE REEVES

The media reported that the same Joe Reeves who gave the power boat to Representative Boner also hired his wife, Mrs. Betty Fowlkes Boner, to do legal work. It was stated that when Representative Boner made public his wife's tax summaries for the preceding six years, Mr. Reeves was not listed as having been one of the people who paid Mrs. Boner legal fees. Mr. Reeves is reported as saying he paid several thousand dollars to do trademark research for his company. Mr. Reeves never said exactly what he paid Mrs. Boner, nor could he come up with any documentation to

show she did anything for the money. The payments were not on Representative Boner's Financial Disclosure Statement.

### *1. Representative Boner's Position*

According to Representative Boner's statement to the Committee, in 1983 Mr. Reeves approached Mrs. Boner as to whether she could do work for him concerning trademarks on his boats. At that time she was working for Langford, Switzer & King, and a normal retainer arrangement was made in which Mr. Reeves paid the firm \$5,300. Mrs. Boner did work researching trademark law, filing for trademarks, and keeping track of conflicting trademarks. The omission of these payments from the Boners' tax return and Representative Boner's Financial Disclosure Statement was an oversight caused by the manner in which the payments were made to her, i.e. endorsement by the law firm of the checks Mr. Reeves sent to it. (Appendix A.)

### *2. Legal Issues*

The legal considerations applicable are 18 U.S.C. §201(g) and House Rule XLIII, clause 3, and section 102(d)(1)(A) of the Ethics in Government Act of 1978.

### *3. Analysis*

To determine whether an impropriety has been committed, again the questions to be answered are whether Mrs. Boner did any work for her money and whether Mrs. Boner was given this work by Mr. Reeves in return for Representative Boner performing some official act.

Representative Boner provided the Committee with an application for a trademark for Mr. Reeves' company, Hydro-Sports, and an accompanying handwritten letter from Mrs. Boner asking for \$75 and two pictures of the boat in order to file the application. (Appendix E.) The documents submitted would seem to indicate that Mrs. Boner did indeed do work for at least some of the money she received.

As to whether Mr. Reeves gave this legal work to Mrs. Boner's firm in return for official actions taken by Representative Boner, one can only speculate. There is nothing beyond this speculation to back up the charge. Mr. Reeves needed trademark work done in connection with his boat business. He hired Mrs. Boner's firm. These facts alone are not enough to sustain an allegation of impropriety regarding House Rule XLIII, clause 3, and 18 U.S.C. §201.

Regarding the violation of the EIGA, analysis of Representative Boner's Financial Disclosure Statement for 1983 shows he failed to list the source of his wife's income from her alleged legal work. He amended his statement by a letter to the Clerk of the House dated May 21, 1985.

Representative Boner explained the omission in his statement to the Committee. He says:

In addition to the retainer, Reeves also reimbursed the firm for filing fees. This totalled about \$300.00. Pursuant to the arrangement Langford, Switzer had with Mrs.

Boner, the check sent to pay for her work was endorsed by *the firm* to Mrs. Boner.

Because of the way Mrs. Boner was paid—endorsement of the check—Mrs. Boner did not make a proper record of the receipt of the payment. Then, in turn, when the Boners compiled documents to put together their taxes, this payment was omitted. The income was initially omitted from their returns. When the issue of Mrs. Boner's work for Reeves was questioned, and Mrs. Boner went back to compile her records, she discovered that the payment had not been initially reported on their taxes. The Boners have since filed corrected returns.

It cannot be disputed that Representative Boner failed to conform to the requirements of the EIGA. The question is what effect his explanation for the omission and his subsequent amendment to his form have in determining whether an impropriety occurred.

The Committee staff believes that Representative Boner's explanation for the failure to include the source of his wife's income, coupled with the timing of his amendment to the form (May 21, 1985), give it grounds to reasonably believe a violation of the EIGA has occurred.

#### IX. UNRESOLVED ISSUES

As is apparent from this report, there were numerous aspects of the staff's investigation of the allegations against Representative Boner that remained unresolved at the time of his resignation from the House. Had the investigation not been terminated, additional steps would have been taken to resolve these issues.

In the area of allegations regarding the misuse of campaign funds, the questions of whether the equipment of Letters Unlimited and Targeted Communications had been used to do work for organizations other than the campaign committee, when this work may have taken place, and where this work may have been performed, remained unsolved. The next step in the staff's investigation of this matter would have been to demand the journals and ledgers of Targeted and Letters to ascertain whether any improprieties occurred.

Additionally, the issue of whether Representative Boner improperly received reimbursements from his campaign committee in violation of House Rule XLIII, clause 6 was not fully resolved. To complete its investigation, the staff would have demanded that Representative Boner produce vouchers for all campaign reimbursements, including those made to Mrs. Boner, and to their credit card accounts.

In the area of allegations regarding improper business transactions, the staff felt continued investigation was required as to the propriety of the 614 Russell Street transaction, to ascertain whether Representative Boner paid his fair share for the property.

Regarding the allegations of impropriety concerning gifts, the issue of Mr. Boner's use of a motor home owned by the RVIA remained unanswered. The next step in the staff's investigation would have been to obtain a reliable value for the congressman's

use of this vehicle, as well as additional information from the staff of RVIA, and Representative Boner himself.

In the area of the allegations regarding the work done by Mrs. Boner, the staff had not reached a final conclusion as to whether work was done by her for Mr. James Wellham in return for the salary she received from him. The staff would have inquired of Representative Boner whether he could produce any more documentation to buttress his assertion that this work was indeed performed.

Release of this staff report was authorized by the Committee on Standards of Official Conduct pursuant to Committee Rule 6(b) on November 5, 1987.

# EXHIBIT 1

HOUSE OF REPRESENTATIVES  
JIM AME THOMAS CALIFORNIA CHAIRMAN  
ED JENNERSON ILL. "A"  
VIC FAY U. CALIF. "R"  
WILLIAM J. COTTRELL PENNSYLVANIA  
BERNARD J. Dwyer NEW JERSEY  
ALAN B. MOULDER WEST VIRGINIA

FLOYD D. SPENCE SOUTH CAROLINA  
JOHN T. MYERS MICHIGAN  
JAMES V. HANSEN UTAH  
C. WILSON ANDERSON TEXAS  
CARL D. PERKINS MISSOURI  
GEORGE C. WHEATLEY NEW YORK  
RALPH L. LOTAN CHIEF CLERK

## U.S. House of Representatives

### COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

SUITE MT-2, U.S. CAPITOL

Washington, DC 20515

WHEREAS, The Committee on Standards of Official Conduct has been presented with evidence by its staff reasonably indicating that Representative William H. Boner's use of campaign funds, participation in certain business transactions, acceptance of gifts, and the circumstances surrounding certain spousal income may have resulted in violation(s) of the Code of Official Conduct, or a law, rule, regulation or other standard of conduct applicable to his conduct in the performance of his duties or in the discharge of his responsibilities; and

WHEREAS, pursuant to Committee Rule 13, the Committee determines that the evidence presented by the staff of such alleged violation(s) merits further inquiry;

NOW THEREFORE BE IT RESOLVED, that this Committee conduct a Preliminary Inquiry in accordance with Rule 11(a) to determine whether such violation(s) occurred; and

BE IT FURTHER RESOLVED, that the Chairman and Ranking Minority Member may authorize and issue subpoenas, either for the taking of depositions or the production of records, and that all testimony taken by deposition or things produced by deposition or otherwise shall be deemed to have been taken, produced, or furnished in Executive Session; and

BE IT FURTHER RESOLVED, that Representative Boner be immediately notified of this action and informed of his rights pursuant to the Rules of this Committee.



## EXHIBIT 2

ROBERT MATHIAS (MISSOURI)  
 JAMES C. BOYCE (CALIFORNIA) CHAIRMAN  
 ED STENNES (MISSISSIPPI)  
 W. F. FLYNN (CALIFORNIA)  
 WILLIAM J. COYNE (PENNSYLVANIA)  
 DENARD J. DUNTER (NEW JERSEY)  
 ALAN B. SOLONIN (WEST VIRGINIA)

FLOYD D. SPENCE (SOUTH CAROLINA)  
 JOHN T. STENNIS (MISSISSIPPI)  
 JAMES H. HANCOCK (UTAH)  
 B. STEPHEN WATKINS (WEST VIRGINIA)  
 CARL E. PURCELL (SOUTH CAROLINA)  
 GEORGE C. WORTLEY (NEW YORK)  
 ROBERT L. LYNN (CHIEF COUNSEL)

## U.S. House of Representatives

### COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

SUITE HT-3, U.S. CAPITOL

Washington, DC 20515

February 26, 1986

Stephen S. Trott, Esquire  
 Assistant Attorney General  
 Criminal Division  
 United States Department of Justice  
 Room 2107 Main  
 Washington, D. C. 20530

Dear Mr. Trott:

On February 5, 1986, the Committee on Standards of Official Conduct of the United States House of Representatives voted to conduct an inquiry into certain allegations which have been raised against Representative William H. Boner of Tennessee. As presently envisioned, the investigation will address whether:

(1) Representative Boner may have accepted a bribe or gratuity within the ambit of 18 U.S.C. §201 in connection with legal fees allegedly paid to his wife by a defense contractor for work she neither performed nor was expected to perform;

(2) Representative Boner failed to reveal certain business interests on his Financial Disclosure Statements filed pursuant to 2 U.S.C. §701, et seq.;

(3) Representative Boner received a gift from a boat manufacturer in violation of House Rules and, further, whether he failed to disclose such gift on his Financial Disclosure Statement; and

(4) Representative Boner used campaign funds for personal benefit in violation of House Rules.

Based upon recent press accounts, the Committee understands that the Department of Justice may also be investigating certain aspects of Representative Boner's activities, as described above. Accordingly, we wish to inform you of the Committee's undertaking so that our respective organizations do not engage in duplicative or conflicting activities. In this light, we would appreciate

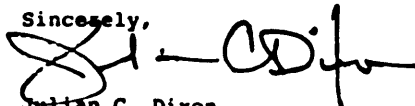
FILE COPY

Stephen S. Trott, Esquire  
February 26, 1986  
Page 2

any information that you may be willing to provide which would allow for better coordination of our efforts and whether any of our current investigative initiatives will impede or overlap with those taken or planned by the Department. Of course, any information this Committee were to receive would be maintained in the strictest confidence.

Thank you for your consideration of this request. We look forward to hearing from you soon.

Sincerely,



Julian C. Dixon  
Chairman



Floyd D. Spence  
Ranking Minority Member

JS:JMH

FILE COPY

## EXHIBIT 3

U.S. HOUSE OF REPRESENTATIVES  
 COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT  
 SUITE MT-2 US CAPITOL  
 WASHINGTON, DC 20515

FLOYD B. SPENCE SOUTH CAROLINA  
 JAMES I. SPENCER MISSISSIPPI  
 JAMES W. WASTON ILLINOIS  
 B. THOMAS WHITFIELD VIRGINIA  
 CARL D. PURCELL OHIO  
 GEORGE C. WAGNER NEW YORK  
 RALPH L. LOTKIN CHIEF COUNSEL

## U.S. House of Representatives

COMMITTEE ON STANDARDS OF  
 OFFICIAL CONDUCT

SUITE MT-2 US CAPITOL

Washington, DC 20515

March 26, 1986

Stanley M. Brand, Esq.  
 Abbe Lowell, Esq.  
 BRAND & LOWELL  
 923 15th Street, N.W.  
 Washington, D. C. 20005

Gentlemen:

Thank you for your Statement dated March 17, 1986, on behalf of your client, Representative Bill Boner, with attachments. The materials will assist the Committee in its Preliminary Inquiry into certain allegations raised regarding the congressman's conduct.

As you know, the subject allegations fall into broad categories and, as such, are amenable to separately focussed investigations. In this light, Committee staff has reviewed the March 17, 1986, Statement with a view to identifying, and obtaining, such additional information and documentation considered necessary to each major category subsumed by the Preliminary Inquiry, one of which embraces Representative Boner's financial dealings and transactions with his campaign committee. To this end, there is enclosed a series of questions and document requests relevant to this category of allegation. We would appreciate your providing the subject materials within 30 days of the date of this letter.

As we complete our review and analysis of your Statement in the context of the other major categories, we plan to inform you of such additional information needs deemed pertinent to the category of allegation so involved, as appropriate.

Thank you for your continued cooperation.

Sincerely,

  
 Ralph L. Lotkin  
 Chief Counsel

Enclosure

**AUTOMOBILES**

Representative Boner's statement asserts that the Member purchased a 1984 Pontiac Bonneville automobile, vehicle identification number (VIN) 2G2AR69MDE2236174, for \$17,643.88, and that he has leased that automobile to his campaign committee under various terms from March, 1984, to present. According to the statement, Representative Boner received a trade-in allowance of \$5,254.84, and financed the remainder (\$12,389.04) of the purchase price with General Motors Acceptance Corporation (GMAC). Please provide the Committee with the following information requested below regarding this arrangement. In fulfilling the Committee's request for copies of cancelled checks in this portion, and all subsequent portions, of this document, please provide copies of the front and back of the item.

1. Copy of Representative Boner's lease agreements with his campaign committee for 1984 Pontiac Bonneville for the periods March, 1984, to December, 1984, and January, 1985, to July, 1985.

2. Date of correspondence in Appendix A3--estimate of lease rate by Howard Carmichael, Leasing Manager of Beaman Pontiac.

3. Odometer readings for 1984 Pontiac Bonneville at the beginning and ending effective dates of each lease period (3/84 to 12/84, 1/85 to 7/85, 8/85 to present).

4. Copies of all automobile insurance policies carried on 1984 Pontiac Bonneville, and copies of all cancelled checks issued to pay such policy premiums.

5. Copies of all cancelled checks issued by Representative Boner and/or his principal campaign committee to GMAC to satisfy Representative Boner's obligation to GMAC.

6. Copies of GMAC finance contract for 1984 Pontiac Bonneville.

7. Copies of all checks issued to Representative Boner by principal campaign committee to satisfy leases of 1984 Pontiac Bonneville.

8. Copies of all checks issued to campaign committee to reimburse for any non-campaign use of 1984 Pontiac Bonneville.

9. Copy of service contract sold to Representative Boner for \$410.99 by Beaman Pontiac.

10. Copies of all cancelled checks issued by Representative Boner, his representative, or his principal campaign committee for payment of gas, oil, and maintenance costs incurred in operating 1984 Pontiac Bonneville.

11. List of all oil company, or other, credit cards (including account numbers) used in defraying costs of operating 1984 Pontiac Bonneville.
12. Copies of all receipts for gas, oil, and maintenance charges for operation of 1984 Pontiac Bonneville.
13. Copies of all maintenance records on 1984 Pontiac Bonneville.
14. Ownership records, including bill of sale, for Maroon Malibu for which Beaman Pontiac allowed Representative Boner \$5,254.84 as a trade-in, including vehicle identification number.
15. Copies of any previous leases between Representative Boner and principal campaign committee covering Maroon Malibu.
16. Copies of all automobile insurance policies carried on Maroon Malibu, and copies of all cancelled checks issued to pay such policy premiums.
17. Copies of all financing agreements pertaining to Maroon Malibu.
18. Copies of all cancelled checks issued by Representative Boner, his representative, or his principal campaign committee, to satisfy financing obligations for Maroon Malibu.
19. Copies of all cancelled checks issued by campaign committee to satisfy any leases on Maroon Malibu.
20. Copies of any cancelled checks issued to campaign committee to reimburse for non-campaign use of Maroon Malibu.
21. List of all oil company, or other, credit cards (including account numbers) used in defraying costs of operating Maroon Malibu.
22. Copies of all cancelled checks issued by Representative Boner, his representative, or his principal campaign committee for payment of gas, oil, and maintenance costs incurred in operating Maroon Malibu.
23. Copies of all available receipts for gas, oil, and maintenance charges for operation of Maroon Malibu.
24. Copies of all maintenance records for Maroon Malibu.
25. Beginning and ending odometer reading for Maroon Malibu.
26. List of all motor vehicles owned by Representative Boner and/or his wife.

TRUCKS

Representative Boner's statement asserts that he purchased a used 1981 pick-up truck in 1985 at a cost of \$4,091.00 to replace a stolen 1976 pick-up truck he had previously owned and used in his 1982 and 1984 campaigns. According to the Member's statement he personally secured financing for the purchase and then was reimbursed by his campaign committee. Please provide the Committee with the following information regarding these transactions.

1. Ownership records, including bill of sale, for used 1981 pick-up truck purchased by Representative Boner.
2. Copies of all checks issued by Representative Boner to pay for purchase of 1981 pick-up truck.
3. Copies of all checks issued by principal campaign committee to Representative Boner as reimbursement for purchase price of 1981 pick-up truck.
4. Copies of all checks issued by Representative Boner to Commerce Union Bank to satisfy loan for 1981 pick-up truck.
5. Copies of lease agreements between Representative Boner and principal campaign committee for use of 1976 pick-up.
6. Copies of cancelled checks issued by campaign committee to Representative Boner for lease of 1976 pick-up.
7. Copies of all checks issued by campaign to defray operating costs of 1976 pick-up and 1981 pick-up.
8. List of all oil company, or other, credit cards (including account numbers) used to defray operating costs of 1976 pick-up and 1981 pick-up incurred by campaign.
9. Copies of all available receipts for gas, oil, and maintenance charges to campaign for operation of 1976 pick-up and 1981 pick-up.
10. Copies of all insurance policies for 1976 pick-up truck and 1981 pick-up truck, and copies of cancelled checks issued to pay the premiums on such policies.
11. Beginning and ending odometer reading for the 1976 pick-up truck, and odometer readings for the 1981 pick-up truck when purchased and current.

**TELEPHONES**

Representative Boner's statement asserts that he purchased a mobile telephone in 1979 and was reimbursed by his campaign for its use on only two occasions between the purchase date and 1984. The Member further asserts that he began leasing the phone to his campaign in 1984. The documents provided by the Member in this regard indicate that a new mobile telephone was purchased in 1984. Please provide the Committee with the following information regarding the mobile telephone(s).

1. Copies of all records documenting purchase of mobile telephones in 1979 and 1984, including bills of sale, installation bills, cancelled checks in payment thereof, and financing notes utilized therein.

2. Monthly mobile telephone bills for both mobile telephones.

3. Copies of cancelled checks used to pay mobile telephone bills from 1979 to present.

4. Copies of cancelled checks issued by campaign to reimburse Representative Boner for use of mobile telephone from 1979 to 1984.

5. Copies of cancelled checks issued by campaign to satisfy any debt obligation on mobile telephones purchased by Representative Boner in 1979.

6. Copies of any service contracts for the mobile telephone, and copies of any cancelled checks for payment of maintenance or service thereon.

CAMPAIGN HEADQUARTERS

Representative Boner's statement asserts that the Member purchased a renovated building in 1984 for \$80,000.00. According to the statement, two mortgages were placed to cover approximately \$69,000.00 of the overall cost, with the remainder of the purchase price (approximately \$10,000) being absorbed by the purchaser. Additionally, the Member states that, after paying some \$2,782.57 in improvements to the building, he leased same to his campaign. Documents provided by the Member concerning these transactions do not make clear who is the actual purchaser and deeded owner of this property. Please provide the Committee with the following information:

1. Copy of deed for building purchased by or on behalf of Representative Boner on June 15, 1984, and all real estate records pertaining thereto, including mortgages, purchase contract, and property tax returns.

2. Copy of cancelled checks issued for:

- (a) \$5,000 earnest money,
- (b) \$5,570.52 balance owed seller, and
- (c) \$2,782.57 improvements,

by, or on behalf of, Representative Boner in connection with building purchased on June 15, 1984, and subsequent improvements thereto.

3. Copies of all cancelled checks issued to W.H.B. Properties, or to Representative Boner, by his principal campaign committee to satisfy obligation of leases dated June 15, 1984.

4. Copy of bill submitted to Representative Boner, or his representative, for improvements to building purchased on June 15, 1984.

5. Copies of all cancelled checks issued to satisfy mortgage obligations on property purchased by, or on behalf of, Representative Boner on June 15, 1984.

6. List of principal officers and employees of W.H.B. Properties.

7. Partnership agreements of W.H.B. Properties or employment agreement between W.H.B. Properties and Representative Boner.

8. Cancelled checks issued to Representative Boner by W.H.B. Properties, or vice versa, in connection with the purchase of the building on June 15, 1984.

9. List of all previous campaign headquarters, including location and mailing addresses and copies of each rental/lease agreement.



**LETTERS UNLIMITED**

Representative Boner's statement asserts that the Member established a sole proprietorship in December of 1981 called Letters Unlimited, whose principal capital asset was an IBM word processor. The Member states that this, and other equipment, was leased by Letters Unlimited to the campaign committee to be used in direct mailing and letter answering operations. Please provide the Committee with the following information:

1. List of all officers and employees of Letters Unlimited.
2. Inventory of all equipment owned or purchased by Letters Unlimited in the conduct of its business, listing dates of purchase, invoices, and place and date of delivery for same.
3. List of all equipment leased by Letters Unlimited providing names of lessees and documentation of all lease agreements for such equipment.
4. Documentation of all financing agreements entered into by Letters Unlimited for purposes of purchasing its equipment.
5. Copies of all cancelled checks issued by Letters Unlimited to satisfy any financing agreements on its equipment.
6. Copies of all cancelled checks issued by campaign committee to Letters Unlimited or Representative Boner.
7. Copies of all cancelled checks issued to Letters Unlimited by Representative Boner.
8. Copies of all records or documents relative to maintenance and service on equipment owned and leased by Letters Unlimited in the conduct of its business.
9. Check register(s) for all checking accounts in the name of Letters Unlimited.

**TARGETED COMMUNICATIONS**

Representative Boner's statement asserts that he formed Targeted Communications, Incorporated, under the laws of the State of Tennessee and that the corporation purchased various pieces of equipment to be used in providing letter writing services. According to the statement, Targeted Communications then leased this equipment to the campaign at various times. Please provide the Committee with the following information regarding these transactions:

1. List of all officers and employees of Targeted Communications, Inc.
2. Inventory of all equipment owned or purchased by Targeted Communications in the conduct of its business, listing dates of purchase, invoices, and place and date of delivery for same.
3. List of all equipment leased by Targeted Communications providing names of lessees and copies of all lease agreements for such equipment.
4. Documentation of all financing agreements entered into by Targeted Communications for purposes of purchasing its equipment.
5. Copies of all cancelled checks issued by Targeted Communications to satisfy any financing obligations on its equipment.
6. Copies of all cancelled checks issued by campaign committee to Targeted Communications or Representative Boner in connection with the lease.
7. Copies of all cancelled checks issued to Targeted Communications by Representative Boner.
8. Copies of all records and documents relative to maintenance and service on equipment owned and leased by Targeted Communications in the conduct of its business.
9. Inventory of all equipment held by Targeted Communications upon dissolution.
10. Check register(s) for all checking accounts in the name of Targeted Communications.

**MISCELLANEOUS CAMPAIGN EXPENDITURES**

Representative Boner's statement asserts that various expenditures made by his principal campaign committee have been for bona fide campaign or political purposes. Please provide the Committee with the following information regarding these expenditures:

1. Itemized list of reimbursements made to Representative Boner by his campaign for expenses incurred by the Member from 1978 through 1985.

2. Itemized list of reimbursements made to Doris Bland by Representative Boner's campaign for expenses she has incurred from 1978 through 1985.

3. Itemized list of furniture purchased by campaign committee for use in Representative Boner's house, copies of cancelled checks issued by campaign committee in payment thereof, and invoices for same.

4. Itemized list of expenditures made by campaign committee in connection with Representative Boner's 1982 trip to Hong Kong.

5. Copies of correspondence, if any, between Representative Boner and the United States Ambassador to Hong Kong or the United States Embassy in Hong Kong, relative to Representative Boner's trip there in 1982.

6. List of names of individuals with whom Representative Boner met at the United States Embassy during his 1982 trip to Hong Kong.

7. List of names of all other individuals with whom Representative Boner met in Hong Kong in 1982 to discuss trade and tourism.

EXHIBIT 4

FRANK P. BROWN, JR.  
JAMES C. BOGGS, JR.  
FRANK R. CLAYTON  
WILLIAM J. EDWARDS  
ALAN B. MANDELSON

FRANK D. SPINER  
JAMES T. SPYER  
JAMES W. WATSON  
E. W. WILSON  
CARL B. WILSON  
RALPH W. WILSON

U.S. House of Representatives

COMMITTEE ON STANDARDS OF  
OFFICIAL CONDUCT  
SUITE NT-2, U.S. CAPITOL  
WASHINGTON, DC 20515

April 23, 1986

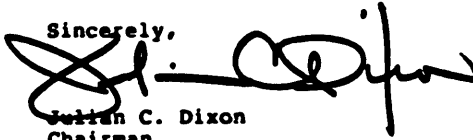
Stephen S. Trott, Esquire  
Assistant Attorney General  
Criminal Division  
U.S. Department of Justice  
Room 2107 Main Justice  
Washington, D. C. 20530

Dear Mr. Trott:

This responds to your letter of April 15, 1986, signed by Acting Assistant Attorney General Keeney, requesting the Committee on Standards of Official Conduct to suspend its Preliminary Inquiry into allegations regarding Representative William H. Boner until the completion of a Department of Justice investigation.

At its meeting on this date, the Committee agreed to the above-described request and will suspend action at this time pending further notification from the Department. A copy of the Committee's press release is enclosed.

Sincerely,



Julian C. Dixon  
Chairman

Enclosure

JS:jl

U.S. HOUSE OF REPRESENTATIVES  
JULIAN C. DIXON, Chairman  
EDWARD J. BONER, Ranking Member  
WILLIAM J. COYNE, Ranking Member  
RICHARD J. DURBIN, Ranking Member  
ALAN B. STEINBOCK, Ranking Member

FRANK D. SPENCE, Ranking Member  
JOHN T. ROYCE, Ranking Member  
JAMES W. MOHRER, Ranking Member  
D. MICHAEL CONNORS, Ranking Member  
CARL D. PURCELL, Ranking Member  
GEORGE A. VERITY, Ranking Member  
RALPH L. ABRAHAM, Chief Counsel

# U.S. House of Representatives

## COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

SUITE NT-2, U.S. CAPITOL  
Washington, DC 20515

FOR IMMEDIATE RELEASE

APRIL 23, 1986

### STATEMENT OF THE HONORABLE JULIAN C. DIXON CHAIRMAN, HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

#### IN THE CASE OF REPRESENTATIVE WILLIAM H. BONER

On February 5, 1986, the Committee on Standards of Official Conduct announced a Preliminary Inquiry into certain allegations regarding the conduct of Representative William H. Boner of Tennessee.

On April 15, 1986, the Committee was officially requested by the U.S. Department of Justice to suspend this investigation in order to not interfere with similar efforts of the Department of Justice which had commenced prior to the Committee's announced investigation. The Committee has agreed to this request and has suspended the Preliminary Inquiry pending further notification from the Department.

## EXHIBIT 5

ONE HUNDRED SEVENTEEN CONGRESS  
 JULIAN E. BOND, CALIFORNIA, CHAIRMAN  
 VIC FARR, CALIFORNIA  
 GEORGE J. BARTER, NEW JERSEY  
 CLAYTON S. BELLINGER, MISSISSIPPI  
 JOSEPH B. BOND, PENNSYLVANIA  
 CHRISTOPHER S. BOND, MISSISSIPPI  
 (202) 555-7100

ALVIN D. BROWN, SOUTH CAROLINA  
 JOHN T. BYRNE, GEORGIA  
 JAMES V. BURNETT, TEXAS  
 CHARLES BROWNELL, JR., CALIFORNIA  
 THOMAS E. BYRNE, MISSISSIPPI  
 RALPH L. ABRAHAM, MISSISSIPPI

**U.S. House of Representatives**  
**Committee on Standards of Official Conduct**  
 Suite DC-2, U.S. Capitol  
 Washington, DC 20515  
 July 21, 1987

Abbe David Lowell, Esq.  
 BRAND & LOWELL  
 923 Fifteenth Street, N.W.  
 Washington, D.C. 20005

Dear Mr. Lowell:

As you will recall, I met with you and Mr. Brand on May 19, 1987, regarding a series of questions that Committee staff had in connection with various activities of Representative William H. Boner. Subsequently, on June 24, 1987, you responded, in part, to the questions raised through letter and attachments. At the time of your submission, you stated that certain additional documentation in connection with the congressman's investment activities (specifically, copies of I.R.S. forms K-1 and evidence of the congressman's contributions to his various partnership agreements) would be forthcoming. To date, I have not received from you the additional material which you said would be provided. Absent that material, Committee staff is not in a position to reach any final understanding of the matter or to make any recommendation to the Committee with respect to the allegations made against Representative Boner.

In addition, based upon your letter of June 24, 1987, Committee staff has certain additional questions to which responses are needed. These matters follow.

1. Since the truck (Exhibit B to your June 24, 1987, letter) was paid in full by the campaign organization, did the campaign reimburse Congressman Boner for the costs of auto insurance? (You have asserted that the cost of insurance would be less if title remained in the congressman's name.)
2. Please provide more specific information regarding the "odd-job" projects that Letters Unlimited or Targetted Communications did for other entities (said to amount to \$1400), including the names of the organizations. (Item #7 in your June 24 letter stated that you were attempting to secure this information. To date, you have not informed us as to the results of this effort.)
3. Where was the campaign computer equipment delivered? (In Item #9 of your June 24 letter you stated "As far as we have been able to check back, it was delivered to either the 24th Avenue North or Third Avenue locations." What is the result of this check? If possible, please provide delivery invoices.

Abbe David Lowell, Esq.  
July 21, 1987  
Page 2

4. Who paid the maintenance costs for the computer equipment and was that amount included in the monthly rental that the campaign paid to Congressman Boner?

5. At our May 19 meeting we requested back-up documents supporting the congressman's reimbursement for expenses from his campaign organization. To date, you have not provided this information. As noted in our meeting, the F.E.C. reports simply reflect the amounts of a disbursement for a reimbursement and not the underlying charges incurred.

6. Regarding Joe Reeves (Item #16 in your June 24 letter), you have not responded to whether, in your view, Mr. Reeves had an interest in legislation -- a matter which is important in the light of House Rule XLIII, clause 4. This answer is important regardless of whether Mr. Reeves provided "many people with boats" since Mr. Reeves' business activities relating to other individuals is irrelevant insofar as the cited House Rule is concerned.

7. Finally, as noted above, you have not, as requested and agreed, provided documentation underlying Congressman Boner's partnership activities with Harold Shankle (K-1 forms and evidence of the congressman's proportionate contribution).

As you know, I have raised the item regarding the Shankle partnerships on several occasions with you and you have consistently replied that the information was forth-coming. Absent that material, as well as responses to the other questions raised above, Committee staff is not in a position to make any recommendations to the Committee regarding whether efforts regarding Congressman Boner should be closed without reinitiation of a Preliminary Inquiry. In order to facilitate reaching disposition of this matter, I request that you respond to the matters raised in this letter by July 29, 1987.

Sincerely,

  
Rayon L. Lockie  
Chief Counsel

## EXHIBIT 6

ONE HONORABLE MEMBER  
 JAMES E. BONER, CALIFORNIA, CONGRESS  
 THE HON. CALIFORNIA  
 EDWARD J. BONER, NEW JERSEY  
 ALAN B. BONER, NEW YORK  
 JAMES H. BONER, PENNSYLVANIA  
 GEORGE B. BONER, PENNSYLVANIA  
 (202) 555-7100

DAVID B. BONER, SOUTH CAROLINA  
 JOHN F. BONER, MISSISSIPPI  
 DONALD B. BONER, ALABAMA  
 DONALD B. BONER, MISSISSIPPI  
 LARRY E. BONER, TEXAS  
 DAVID L. BONER, MISSISSIPPI

**U.S. House of Representatives**  
**Committee on Standards of Official Conduct**  
 Suite 305-2, U.S. Capitol  
 Washington, DC 20515

August 13, 1987

Abbe David Lowell, Esquire  
 BRAND & LOWELL  
 923 Fifteenth Street, N.W.  
 Washington, D.C. 20005

Dear Mr. Lowell:

This confirms our conversation of August 12, 1987, regarding the status of the Committee's information requests in connection with your client, Representative Bill Boner.

To begin, I share your concern that there not be a perception of what you described as "foot dragging" by either this Committee or your office concerning requests for information or responses thereto in the subject matter. As you well know, Committee staff reinitiated its review of the allegations against Congressman Boner this past Spring and to that end met with you and Stanley Brand on May 19, 1987, for the purpose of setting out those areas of concern which remain. Since that time, there has been correspondence both from this office and yours seeking information and responding to those requests. As the matter now stands, my letter of July 21, 1987, raised for consideration seven items that were earlier discussed in our May 19, 1987, meeting. In that correspondence, I also mentioned that I had still not received from you copies of documentation in connection with the Congressman's investment activities. Your most recent letter of July 24, 1987, provided that documentation and a partial response to my July 21, 1987, request. Thus, I am still awaiting from you response to my questions numbered 1, 2, 3, and 4 as raised in the July 21 letter.

If nothing else, I believe the foregoing amply demonstrates that this Committee has not delayed or deferred active pursuit of the remaining issues since reinitiation of the review which began this past Spring. Nevertheless, several matters remain outstanding.

In an effort to expedite completion of the current review, I called you yesterday simply to ascertain and reach agreement on a time frame in which those matters that still need response can be completed. As a result of our discussion, you assured me that you would provide responses to the remaining questions by the end




Abbe David Lowell, Esquire  
August 13, 1987  
Page 2

of this month. Accordingly, it is my position that I shall expect from you an answer to all questions raised in my July 21, 1987, letter by August 31, 1987. Said in other words, that is the date on which the Committee will consider any response to have been timely submitted. Of course, I welcome your answers to the remaining questions at any time prior to August 31.

Finally, I wish again to make clear that Congressman Boner's non-House, political aspirations notwithstanding, this Committee intends to make a determination on all of the allegations that have been raised and to take appropriate action based on all available information as soon as possible. It is for this reason that it is imperative that I receive from you the agreed-upon responses within the above-stated time frame.

Sincerely



Ralph L. Lotkin  
Chief Counsel

**EXHIBIT 7**

**MEMORANDUM**

**TO: The File**  
**FROM: Richard J. Powers**  
**SUBJECT: Telephone conversation with Jerry Loftus, General Counsel, Recreation Vehicle Industry Association**  
**DATE: October 6, 1987**

On September 30, 1987, I received a telephone call from Jerry Loftus who identified himself as General Counsel to Recreation Vehicle Industry Association (RVIA).

Loftus stated that he was responding to our request to David Humphreys, President of RVIA, that he supply us with documentation that would establish a price for the rental of the vehicle used by Representative Boner.

Loftus stated that there is no way they could establish the rental price for the vehicle used by Congressman Boner.

MEMORANDUM

**TO:** The File  
**FROM:** Richard J. Powers  
**SUBJECT:** Telephone interview with Doris Bland  
**DATE:** October 6, 1987

On September 25, 1987, I contacted Doris Bland by telephone at Congressman Boner's campaign office (615-242-1988). I was attempting to ascertain what work, other than campaign related, was done by Targeted Communications and Letters Unlimited from 1982 to 1986. Bland informed me that it would be difficult remembering what happened back in those early years and that she would check and get back to me.

On September 29, 1987, Bland left a message with the office that Congressman Boner is represented by Abbe Lowell of Brand & Lowell and that we should contact the law firm in this matter.

On September 30, 1987, I called Bland and informed her that I was requesting information known to her and not information from the congressman or his attorney. She stated that she would not know what went on with that equipment because it was in another room. She did not state she was represented by Brand & Lowell or any other lawyer, but suggested I call Brand & Lowell for any further information.

MEMORANDUM

**TO:** The File  
**FROM:** Richard J. Powers  
**SUBJECT:** Telephone interview with Howard "Butch" Ely, press aide to Representative Boner  
**DATE:** October 6, 1987

In an attempt to establish what outside work was performed by Letters Unlimited and Targeted Communications, I contacted Howard Ely, Representative Boner's press aide, on September 29, 1987. I felt that since Ely was identified as a director of Targeted Communications on a Targeted statement of intent to dissolve dated January 1, -1986, he would have knowledge of the business dealings of Letters Unlimited and Targeted Communications.

Ely informed me that he was represented by counsel, Mr. Webley. He informed me that he was familiar with business between Targeted and NLT but would rather not discuss it over the telephone. He stated that I should send the questions in writing to him.

APPENDIX A

STATEMENT BY REPRESENTATIVE WILLIAM H. BONER  
IN RESPONSE TO PRELIMINARY INQUIRY  
BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

BRAND & LOWELL  
Fifth Floor  
923 Fifteenth St. NW  
Washington, D.C. 20005  
(202) 662-9700

Counsel to Representative  
William H. Boner

March 17, 1986

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INTRODUCTION

On January 14, 1986 Fred Werthheimer, President of Common Cause, a Washington based lobbying organization, held a press conference alleging that Congressman Bill Boner (D-Tenn.) had violated House rules governing use of campaign funds and arising from certain business relationships. Werthheimer's allegations were essentially identical to those published over the last year by The Tennessean, under the byline of reporters Joel Kaplan and James Pratt, and also published in the January/February issue of Common Cause Magazine.

In some cases, the newspaper and other articles actually charge wrongdoing (e.g. failure to properly report gifts). However, in the majority of instances, these reports make no charge at all. They leave to innuendo and implication some notion of impropriety. Very often the "charge" is simply that the Congressman invested or the Congressman made money or the Congressman owned something. These non-allegations fill pages of articles which then get re-printed by other newspapers.

In response to those allegations by Common Cause, Congressman Boner wrote to the Committee on Standards of Official Conduct ("Standards Committee") on February 4, 1986 requesting initiation of a review of these charges to resolve any questions surrounding Congressman Boner's activities and House rules. App. i.

Following the receipt of the Congressman's letter, the Standards Committee voted on February 5, 1986 to conduct a



preliminary inquiry into the allegations and notified Congressman Boner of its action that same day. Pursuant to Rule 11(a)(2)(A) of the Rules of Procedure of the Committee on Standards of Official Conduct ("Committee Rule"), Congressman Boner submits this written statement.

A fair examination of the facts underlying each charge will reveal that the allegations of wrongdoing are unsupported and unfair. This statement attempts to address all of the charges made, even those, which as stated before, do not include any specific claim of impropriety. What is truly unfortunate is that most of the answers to the press charges were there for the reporters to find. Due to laziness or a purposeful desire to overlook the explanations, reporters never bothered to check all the facts before writing.

This statement is organized according to the general categories into which the allegations were grouped by the Standards Committee's February 5, 1986 resolution initiating the preliminary inquiry: (1) use of campaign funds; (2) participation in certain business transactions; (3) acceptance of gifts and (4) spousal income. Within each category, a complete factual description of every allegation reasonably falling within or concerning that category will be presented. Where appropriate, an analysis of relevant House rules and standards of conduct will be presented. Also documents which explain what really happened also are included as an appendix.

**A. USE OF CAMPAIGN FUNDS****Allegations**

As a starting point, both the Federal Election Commission ("FEC") and the Rules of the House of Representatives ("House Rules"), have given the broadest discretion to Members in exercising judgment whether a particular activity is campaign related.

Each expenditure challenged by the press and others was campaign related, and is attributable to a bona-fide campaign purpose. No "conversion" of campaign funds has occurred.

**1. Leases of Vehicles and Phone**

On January 27, 1984, Congressman Boner purchased an automobile. Far from the "luxury" car alleged in the press, this was a mid-sized 1984 Pontiac Bonneville costing \$17,643.88. The Congressman received an allowance on a trade-in of \$5,254.84. The remainder (\$12,389.04), was financed through GMAC with payments of \$344.14 a month. App. A1.

Unlike the common practice among members, Congressman Boner did not lease a car through the official allowances provided by the House of Representatives. Nevertheless, as more and more of his time in the district involved campaigning and politics, he decided to offset part of the costs of leasing this car. In 1984, the Congressman's campaign committee leased the car from March through December for a total of \$3,441.40. In 1985, the campaign committee again leased the car, this time at a reduced rate of \$286.00 a month. In 1986, the rate was reduced

again to \$275.00 a month. App. A2. In total, the campaign paid for about 80% of the use and the Congressman paid for 20%.

Congressman Boner sought an estimate from the car dealer of what a lease to the campaign would cost at market value. The estimate sent indicated that the lease, on this basis, could be \$528.70 a month. App. A3. The Congressman's arrangement, then, saved the campaign over \$200 month. Had his intent been to provide for his gain, Congressman Boner even could have leased the car to the campaign for below market value (\$528) and yet at a price in excess of his car payments (\$344). He did not do this.

The car lease arrangement was undertaken by the Congressman in an effort not to abuse official allowances provided by the House. In this regard, reference to the Report of the Clerk of the House will readily show the widespread use of House funds by members of Congress for automobiles. In addition, leases and purchases of vehicles are commonly-listed expenditures in campaign reports filed with the Federal Election Commission. These are also partially described in a Wall Street Journal newspaper article. App. A4.

There is no doubt that the campaign committee could have gone out and purchased or leased an automobile for campaign use. Then, use other than that for the campaign would have to be reimbursed. The Congressman's method saved general House (i.e., taxpayer) funds and also resulted in a savings to the campaign.

Any lease or purchase arranged by the campaign would have cost more.

Interestingly, the press has made no charge about the campaign committee's purchase of a truck other than to report that it occurred. There was no report of the price, whether the truck was new or used, whether there was anything wrong with getting a truck, etc. Yet, the "charge" was made and wrongdoing has been implied.

Congressman Boner's campaign committee needed a vehicle which could carry large items -- campaign signs, boxes of literature, printing equipment, press risers, etc. Even in the year between elections, such a vehicle was needed to set up booths at fairs and festivals and to assist in campaign-related activities (i.e., voter registration or information). A used 1976 pickup truck that Congressman Boner owned himself was used by the campaign in 1982 and 1984. After this truck was stolen, Congressman Boner, on March 11, 1985, bought a used, 1981 pickup truck. Just looking at the truck would show that the Congressman did not use it for any other purpose. He paid \$3,800.00 out of his own funds. App. A5. An additional \$291.00 was paid for emissions tests and registration. On April 19, the Congressman took a bank loan of \$4091.00 to pay for the truck and servicing. App. A6. Then, in May, the campaign committee reimbursed the Congressman for the costs -- purchase price, registration fees, service, and interest then paid -- of the truck. App. A7. The loan was paid off in June. Use of the truck was proper; payment

was reasonable; and reporting was complete. There is nothing subject to question, yet the press has done so anyway.

Equally without merit is the suggestion of wrongdoing concerning the Congressman's lease of a mobile telephone. Any informal survey will show that mobile telephones have become necessities among members of Congress. Again, by allocating use between the campaign and personal use, Congressman Boner avoided having to use official allowance funds and saved the campaign money. Even though he bought a mobile telephone in 1979, with his own funds, and used it immediately for political and campaign calls, Congressman Boner got reimbursement from the campaign once in 1980 and then, not again until 1984. He let four years run. In 1984, at the start of the election year, Congressman Boner began leasing the phone to the campaign at \$200 a month. App. A8. This arrangement again avoided use of House funds and was intended to help the campaign control funds. At the same time, the lease rate was no more than necessary to offset purchase and maintenance of the telephone. As compared to the actual purchases of these telephones by other members, Congressman Boner's procedure is unassailable.

## 2. Purchase And Lease of Campaign Headquarters

Congressman Boner made a conscious decision to keep his campaign and election activities segregated from his official duties. This was the goal behind a number of the decisions he made (e.g., allocation of expenses for leased automobile). It

also was the reason that he purchased separate space to house his campaign offices.

Since his first close (51%) election in 1978, the Congressman has run full-time campaign activities. At various times, these have been run from several places, including a backroom of the Congressman's house See p. 17, *infra*. Congressman Boner, however, wanted a more visible and spacious full-time headquarters. Supplies and equipment could then be kept separate from his official House of Representatives office in the district.

On June 15, 1984, the Congressman purchased a small renovated building for \$80,000. He assumed a first mortgage of \$50,000 at 11% (\$567.70 a month) and placed a second mortgage of \$19,300 at 12% (\$276.90 a month) on the house. App. A9. After the purchase, some \$2,782.57 in improvements to the property were made.

On July 1, 1984, in the middle of the campaign year, the Congressman's campaign committee began leasing the building. App. A10. The Congressman obtained not just one, but three separate appraisals of the rental value of the building. App. A11. While these stated that the space could be rented for between \$10 and \$14 per square foot, the Congressman leased the space to the campaign for \$6.75. App. A10. This worked out to be approximately the amount paid out by Congressman Boner on mortgage, maintenance, taxes, and insurance.

Newspaper accounts would like to paint a picture that the Congressman set up elaborate schemes to siphon money to himself

out of the campaign. The facts simply do not bear this out. His decision to purchase and lease campaign space was founded on his deep desire to keep political and official business separate to the greatest extent practicable. Then, the amounts charged in the lease were well below the market rate and fixed to offset acquisition and renovation costs. Finally, the arrangement saved the campaign more than \$700 a month, money which the Congressman could have earned if his intent was to purchase the property for investment and gain.

In addition, Congressman Boner structured the purchase and lease of this building according to directions he received from the Standards Committee. In arranging for the leasing of business equipment to the campaign committee, Congressman Boner sought and received advice from the Standards Committee that such arrangements were allowed if they were conducted at arms-length and if the amounts charged were at or below fair market value. App. A14. Like the leased equipment arrangements, the rent established was well within the Committee's instructions. The Committee's advice to Congressman Boner is discussed in greater detail in the following section.

### 3. Lease From Letters Unlimited

The purpose behind and arrangements with Letters Unlimited were similar to those with the campaign office. Again, Congressman Boner wanted to segregate campaign and official expenses. He also wanted to control costs to the campaign.

A large expense to the campaign and to the political activities of all members is direct mail and answering written inquiries. In order to address this need, Congressman Boner formed Letters Unlimited, a sole proprietorship, in December 9, 1981. App. A12. The principal piece of equipment owned by Letters Unlimited was an IBM Word Processor. Letters Unlimited purchased and financed this equipment through a note at First American Bank, secured by the equipment itself. App A13. The campaign paid \$950.00 a month to Letters Unlimited for use of this equipment.

As with the campaign offices, the plan here was to lease the equipment to the campaign committee in a manner which saved money but provided no gain to the Congressman. Congressman Boner contacted the Standards Committee to seek advice concerning applicability of House Rules to the lease arrangement. The Committee responded on June 11, 1982 that the arrangement was permissible under House rules so long as it was "an 'arms-length' arrangement conforming to standard commercial practices in the lease of such equipment and at a rate that does not exceed the fair market value of the lease of similar equipment in the area."

App. A14. In addition, the Committee letter advised that one effective way to demonstrate campaign use was to physically locate the equipment "with the campaign committee . . . ." This was another reason the Congressman decided to open separate campaign offices in the house purchased at 619 3rd Avenue, as described above.



The Congressman received a written estimate from IBM itself, stating that leasing the equipment would cost the campaign committee \$1,008.00 a month, without maintenance and service fees. App. A15. In 1982, Letters Unlimited leased the machine to the campaign committee for only \$950.00, which included maintenance and service fees. App. A16. IBM valued this arrangement at \$1,146.90 a month. App. A17.

From October, 1985 to the present, however, the campaign committee has used the equipment free of charge. Once the note on the equipment was paid off, the Congressman, intent on not having any personal gain from the arrangement, donated the equipment to the campaign. This has caused and will continue to cause a savings to the committee of \$950.00 a month.

In total, this purchase/lease arrangement will save the campaign committee in excess of \$10,000.00. All money paid by the committee to Letters Unlimited went to paying the loan on the equipment and additional operating costs. Once the loan was paid off, the Congressman was paid nothing.

Quite the opposite from resulting in any gain to Congressman Boner, this arrangement actually has caused him a loss. The national accounting firm of Touche Ross & Company, has stated that the arrangement resulted in tax liability to the Congressman because the arrangement was in the form of a sole proprietorship without providing any off-setting gain. App. A18.

#### 4. Lease From Targeted Communications, Inc.

The purpose of Targeted Communications, Inc., like Letters Unlimited, was to assist in letter writing services. However, so that he could take advantage of limited corporate liability and different tax provisions, Congressman Boner established Targeted as a Subchapter S corporation, owned solely by him. App. A19. Since a candidate is not restricted in contributions to his own campaign, the Congressman intended to have this arrangement, like his sole proprietorship, provide him with a way not to realize any taxable gain while still allowing him to donate the services or the actual equipment (when the loan for its purchase was due).

Targeted purchased a Pitney Bowes Mail System for \$6,420-.31, a Xerox copier for \$2,613.56, a MEL 3000 telephone dialing machine for \$36,000, and IBM and other computer equipment and supplies for \$67,874.99. App. A20. Each of these was financed by Targeted. The total monthly payments for financing and maintenance and additional related costs were approximately the same amount as the total the campaign committee paid for the lease of the equipment. App. A21. The arrangement was designed to make sure the income to Targeted was offset by its disbursements.

Targeted then leased this equipment to the campaign committee at various times. App. A22. The lease of equipment from Targeted Communications, Inc. followed precisely the procedure of Letters Unlimited except that the Congressman set Targeted Communications up as a Subchapter S corporation.

Following the procedure approved by the Committee, Congressman Boner obtained written estimates for the lease of each piece of equipment. App. A23. In each case as well, written lease agreements were made, and the equipment was used by the campaign in its own offices. App. A22.

In addition, as soon as notes were paid on the purchase of the equipment, Congressman Boner donated the equipment to the campaign so that he would not be gaining income from this arrangement. For example, Xerox itself valued a lease of its copier to the campaign at \$245.00 a month plus the cost of copies. App. A23. Targeted leased the machine to the campaign for \$220 a month with no limit on copies. App. A22. Starting in June 1, 1985, when the copier was paid off, the copier was used by the campaign at no cost.

Similar estimates were received from Pitney Bowes, MEL and IBM for their equipment. App. A23. In each instance, these were in writing, and in each instance, Targeted leased the equipment to the campaign for less than the fair market value as stated in these estimates. App. A22. Also, in each instance, the campaign got to use the equipment free of charge after loans on the equipment were paid off. In fact, Targeted has been dissolved, App. A24, so that all use of the equipment is now free of charge.

As with the other arrangements, money paid by the campaign committee was applied directly to the loans on the equipment and related expenses. Each arrangement also followed the guidelines

set out in the letter Congressman Boner received from the Standards Committee. This arrangement has saved and will save the campaign committee money in two ways. First, the campaign has saved the difference between what it would have paid for leasing the equipment and what Targeted has charged. This is approximately \$950 a month for a total of over \$35,000. Second, now that the equipment loans have been paid and Targeted is no longer charging any lease, the campaign saves the total amount it was paying every month, \$8,970.00. Even if this arrangement lasts for only two more years, the savings to the campaign would be over \$215,000.00. Again, the Congressman could have structured these leases in a way to provide him with a profit. He did not do so.

There is no doubt that each of the leasing arrangements -- the house, Letters, and Targeted -- had tax effects. However, whatever tax gain Congressman Boner enjoyed as a result of the lease of the campaign headquarters was more than offset by the unfavorable tax effects of the equipment leases in Letters and Targeted.

##### 5. Employment Of Doris A. Bland

No better example exists of the unfair and distorted charges made against Congressman Boner, than the claim that he wrongfully employed his sister. The background behind his sister's work makes clear that her employment was justified, proper, and, if anything, that she was underpaid.

Congressman Boner's sister, Doris A. Bland, worked on the Congressman's first election in 1978. She worked literally hundreds of hours and was paid \$1,225.00. In 1978, the Congressman won with only 51% of the vote. It was clear that he would have to work very hard in the "off-year" in order to keep his seat. The one person who had worked most closely with constituent and political groups during the campaign was Doris Bland. It was natural, indeed necessary, that her knowledge and contacts not be lost.

Consequently, the Congressman hired Ms. Bland in 1979 and paid her out of his own pocket. For all the hours of work in 1979, her payment was only \$7,154.78.

Ms. Bland's husband became seriously ill and died in 1980. After her husband's death, Ms. Bland again started to work for the campaign committee. Until March, 1985, Ms. Bland worked no less than 40 to 50 hours a week. She was paid as little as \$6,948 (in 1980) and never more than \$11,000 (in 1983). So, while news reports have pulled one fact out -- the total of some \$40,000 paid to Ms. Bland -- they have failed to report that the payment occurred over 8 years. Her average yearly payment, for more than 40 hours a week of work, was only about \$5500.

Most important, there is absolutely no bar, rule, or law which prohibits the Congressman paying his sister to work on his campaign or to have the campaign committee hire her. Indeed, family working on campaigns is an American political institution.

In 1960, Bobby Kennedy was a paid campaign manager for John Kennedy's run for President. In 1976 and 1980, various members of the Carter family worked and were reimbursed out of public campaign funds for work on Jimmy Carter's Presidential campaign.

Also, upon entering Congress in 1979, Congressman Boner solicited advice from the Committee on whether he could employ his sister for the help she was then providing. The Committee responded on January 18, 1979 and approved employment as long as U.S. treasury funds were not involved. App. A25.

This allegation about the Congressman's sister is just another example of the press and others trying to make an issue where none exists by presenting only part of the facts and by taking a fact, in this case the amount of money paid, out of its context, payment over 8 years.

#### 6. Reimbursements to Congressman Boner

Like all members, Congressman Boner routinely pays out money for a variety of campaign-related activities and then seeks reimbursement. Given the style of Nashville politics, a lot of entertaining is done. Often this is done in the Congressman's home. Aside from some miscellaneous expenses, reimbursements fall into four categories: constituent presentations, food and receptions, travel, and donation and dues. App. A26. All of these are routine expenditures made by members for campaigning.

Constituent presentations include those items which Congressman Boner, like all members, provide to their constituents:

plaques, desk ornaments with House emblem, glasses, cuff-links, pens, book-ends, American flags, etc. Most all elected officials have such items. News articles have even appeared comparing the kinds of cufflinks given by Presidents Carter and Reagan.

Food and receptions included the many events hosted by members for constituents. Some of these also are campaign events hosted by the Boners in their own home, meals on the road, meals for staff and volunteers, etc. Here, it should be noted that Congressman Boner, unlike many other members of Congress, does not use House funds to pay for lunches he has with constituents in the House of Representatives dining room. Congressman Boner sees such lunches, like so many of the other expenditures that have been reported by the press, to be political in nature. Therefore, he prefers to use campaign funds.

Donations include the charitable contributions the Congressman's committee makes to a wide variety of organizations, including the March of Dimes, the United Negro College Fund and others. They also include payments by the campaign committee for receptions and other activities hosted or sponsored by other candidates or groups which the Congressman wants to attend.

Travel involves cab fares, gas, hotel and trips for travel out of the district, etc. Out of the district travel is done for a variety of purposes recognized by all members: fundraising, attendance at the Democratic National Convention in 1984, helping other candidates in other parts of the country, etc.

Over three or four years, the total for all of these activities that were reimbursed was \$30,000. Comparison with the election reports of other members show that this total and the activities engaged in were consistent with the practices of most incumbent members and candidates for the House.

#### 7. Purchase Of Office Furniture

Before purchasing the building to house his campaign offices, Congressman Boner used part of his home for his year-round campaign offices. The reasons for this, as stated before, was his interest in making sure campaign and political activities did not mix with his official office duties. As also stated before, his close election in 1978 made it clear that he needed a full-time office. Until some place could be found, his home was used.

On this basis, the campaign paid for a few pieces (e.g. desk, swivel chair, credenza, chairs) of office furniture to use in an office that was set up in the upstairs backroom of the Congressman's house. App. A27. Press reports, by their lack of specificity, would imply that the Congressman furnished his home with campaign funds. That is not the case. The furniture bought was office furniture, and it was used in an office set up in the home. Campaign and personal activities were kept separate. Finally, the Congressman did not seek reimbursement from the campaign for the rent or for utilities for use of this room as an office.



### 8. Hong Kong Trip

In 1982, Congressman Boner was elected to be Chair of the U.S. Congressional Travel and Tourism Caucus. That Caucus has as its principal goal the promotion of tourism and travel to and within the United States. While the Congressman's critics in the press see activity by this Caucus as "perks" without substance, the fact remains that Congressman Boner and those in the Caucus have worked hard to promote its goals.

The Caucus also has helped Congressman Boner make political and other contacts with other members and with people all over the world. There can be little doubt that the Congressman has been able to increase his political stature and position through work in the Caucus. However, travel and other expenses related to Caucus work are not provided for by the House of Representatives under any official allowance. It would be very expensive and unfair for the Congressman to undertake his Caucus activities using only personal funds. So, given the great discretion provided to campaign-related activities and the fact that his activities for the Caucus do so clearly help with his securing his political position, the Congressman has used campaign funds to defray some of his Caucus activities.

In 1983, the Congressman and Mrs. Boner, along with other members of Congress and some family members, were invited to visit and did travel to the Republic of China by the Sino-American Cultural and Economic Association. After spending a week in Taiwan, the Boners flew to Hong Kong, where they stayed for

another three days. Congressman Boner had arranged to meet with the United States Ambassador and other Embassy officials in Hong Kong. The Ambassador could not meet as planned, but the Congressman did talk with other Embassy officials about American relations and repossession of Hong Kong by mainland China. In addition, Congressman Boner also met with hotel managers and merchants to discuss trade and tourism.

The Taiwan portion of the trip was paid for the by Sino-American association which sponsored the travel. Such payment fully conforms with all rules of the House of Representatives and was properly reported on Congressman Boner's disclosure forms. Congressman Boner had the campaign committee pay for the Hong Kong portion of the trip. He certainly had business meetings in Hong Kong, and he most definitely was meeting people in his capacity with the Caucus. All of these meetings enhanced the Congressman's knowledge and contacts and, in turn, were related to his political activities.

If this, or anything other travel that Congressman Boner has made, raises questions, the fault lies with the current law and rules on use of campaign funds. As noted above, in many instances when the laws and rules were being debated the discretion given to members was reiterated.

#### Analysis

The allegations surrounding Congressman Boner's use of campaign funds involve application of H.R. Rule XLIII, cl. 6, which provides:

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

Constitution, Jefferson's Manual and Rules of the House of Representatives, § 939, H.R. Doc. No. 277, 98th Cong., 2d Sess. 681 (1985).

As a general proposition, the House, like the Federal Election Commission ("FEC"), has given the broadest discretion to Members in exercising judgment whether a particular activity is campaign related.

Congressman Boner has meticulously complied with every aspect of this rule, and his use of campaign funds comports with current standards of both the Committee and the Federal Election Commission.<sup>1</sup> First, ". . . no specific definition of 'bona fide campaign purpose' is provided in the rules." Ethics Manual For Members and Employees of the U.S. House of Representatives, 98th Cong., 2d Sess. 125 (1984) ("Ethics Manual"). Moreover, House debate over this provision of the rule reinforces that it vests great discretion in the judgment of Members.<sup>2</sup>

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<sup>1</sup> There is no allegation that Congressman Boner has comingled campaign funds with personal funds and the focus here will be on reimbursements to him from the campaign for legitimate and prior expenditures or direct payments by the campaign for such purposes.

<sup>2</sup> House precedents involving violations of H.R. Rule XLIII, cl. 6 are not discussed here, since the facts in those cases appear so clearly distinguishable from the reimbursements for

What is political is a matter of fact rather than of definition. We believe that if a Member travels home for a political purpose and it is covered by his volunteer committee out of political accounts, that this is a political expense.

However, what we have tried to do is to confine expenses from political accounts or volunteer committee accounts to expenses that are political. By and large, that definition will be left up to the Member and to his volunteer committee, and as it broadly defined under the election law.

123 Cong. Rec. 5900 (1977) (remarks of Rep. Frenzel) (adoption of amendments to House ethics code). See also id. (remarks of Rep. Hamilton) ("We really do not make any change in the definition of what is a political expense . . . There are essentially no rules and regulations today, as I understand it which defines that. It is left up to members and stays that way under the recommendations of the [Obey] Commission").

To the extent that the House rule looks to FEC interpretations of legitimate campaign expenses, which the legislative history indicates it does, the FEC has specifically ratified Members broad discretion in this area and approved the purchase of automobiles with campaign funds, AO 1976-64, Fed. Election Camp. Fin. Guide § 5230, paying for the biography and screenplay

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campaign expenses made by Congressman Boner. In The Matter of Representative Charles H. Wilson, H.R. Rep. No. 930, 96th Cong., 2d Sess. (1980) involved transfers from campaign accounts to so-called office accounts from which personal checks were drawn and from campaign accounts to personal accounts with the Sergeant-at-Arms. In The Matter of Representative John J. McFall, 95th Cong., 2d Sess. 20 (1978) involved admitted use of campaign funds to defray purely personal expenses. This brief description of these precedents demonstrates how they are inapposite here.

or the life of a candidate, AO 1976-116, Fed. Election Camp. Fin. Guide ¶ 5235, purchase of Christmas cards, AO 1977-60, Fed. Election Camp. Fin Guide ¶ 5274, payment of the expenses to attend a presidential salute, AO 1978-2, Fed. Election Camp. Fin. Guide ¶ 5288, purchase of Christmas gifts to individuals and firms, AO 1978-3, *id.* ¶ 5292, and renting office space by a candidate to his committee, AO 1978-80, *id.* ¶ 5669.

Certainly, therefore, the Congressman's lease of an automobile, mobile phone, payment to his sister to perform important campaign work, purchase and lease of campaign space and travel which enhances his political standing are all within specific definition of "bona-fide" campaign purposes.

On a more general note the committee has recognized the difficulty in separating "political" from official and other duties: ". . . because of the various public, political and official roles which a Member may assume in connection with his position in Congress, there may be instances where this distinction is less clear than in others, or where one area may intrude into another." Ethics Manual, *supra*, at 132.

The courts, too, have noted the lack of strict legal standards against which to measure political and official activities. United States en rel. Joseph v. Cannon, 642 F.2d 1373, 1380 (D.C. Cir. 1981) (no "statutory directive perforce bars public compensation of congressional staff for the performance of campaign activities"); Common Cause v. Bolger, 574 F. Supp. 672, 683 (D.D.C. 1982) (three judge court) ("To state the

obvious, it is simply impossible to draw and enforce a perfect line between the official and political business of Members of Congress").

Just as "it is unrealistic to impose conventional work hours on congressional employees" to preclude their work on campaigns in their "free" time, Advisory Opinion No. 2, Comm. on Standards of Official Conduct, reprinted in Ethics Manual, supra, at 151, it is unrealistic to impose hermetic and artificially rigid requirements on the use of campaign funds.

Indeed, Congressman Boner's defrayal of expenses which might be viewed as "overlapping", that is arguably political or official (or partaking of both) with campaign funds guarantees that in close cases taxpayer funds will only be used for activity that is clearly and genuinely official. Any doubts about the legitimacy of the Congressman's use of campaign funds for these activities should be resolved in his favor when viewed as a whole, particularly given that "no specific definition of 'bona-fide campaign purpose' is provided in the rules." Ethics Manual, supra, at 125. Given the lack of standards, this is even truer in view of the "directive in House Rule X, cl. 4(e)(2)(C) to apply the laws, rules, regulations and standards of conduct in effect at the time the conduct under consideration by the committee occurred." MANUAL OF OFFENSES AND PROCEDURES, KOREAN INFLUENCE INVESTIGATION, 95th Cong., 1st Sess. 33 (Comm. Print 1977) (emphasis added).

A review of both the Reports filed with the Clerk of the House and representative FEC filings indicate that Congressman Boner's use of campaign funds is well within the customary practice of other Members and meet any reasonable definition.

These reports from others include:

- auto leases (\$245.00/month)
- campaign car rental (\$ 734.68/quarter)
- air travel to Mexico (\$790.66)
- dues to House gym
- reimbursements for constituent gifts (\$ 920.41)
- reimbursement for art books
- reimbursement for call to Saudi Arabia
- reimbursement for flowers
- ten speed bike (\$299.99)
- reimburse car use (\$ 1,335.00)
- baseball tickets (\$ 1,214.00)
- fundraiser gifts (\$ 700.00)
- Christmas cards (\$950.00)
- miscellaneous flowers and gifts (\$ 1,208.06)
- clothing (\$ 359.50)
- office furniture (\$400.00, \$500.00)
- airline trips
- constituent lunches (\$500.00)
- furniture rental (\$ 335.00/quarter)
- Congressional record plaques (\$207.00)
- campaign automobile rental (\$ 339.07/month)
- sheep (\$224.40)
- purchase of campaign automobile (\$ 18,244.-77)
- reimbursements for flowers and gifts (\$692.42)
- Christmas gifts for campaign officers
- St. Patrick's Day cards
- reimburse spouse's air travel (\$ 1,950.00)
- Christmas gifts (\$ 2,050.00)
- European trip reimbursements (\$ 700.00)
- babysitting (\$ 225.00)
- VCR for the home (\$ 467.99)
- golf tournament (\$8,791.62)
- reimburse constituent gifts (\$ 601.71)
- desks
- vehicle lease (\$ 2,915.00)
- mobile phone lease (\$ 174.20/month)
- mobile phone lease (\$ 865.37/quarter)
- mobile phone lease (\$ 228.78/ month)

- car purchase (\$6,138.00)
- office furniture (\$2098.09)
- 100 cookbooks (\$500.00)
- household expenses (\$2,000.00)

In providing so much discretion for use of political funds, Congress clearly indicated that issues about use of these funds were to be political and not legal. While the press or even another member might not agree with a certain use, that does not create a violation of any rule or law. It certainly does not justify singling Congressman Boner out for investigation.

Common Cause also has made much of the fact that some of the campaign expenditures were made in non-election years, or in years when no candidate opposed Congressman Boner. But as the legislative history of the H.R. Rule XLIII, cl. 6 notes -- a fact of political life which is as true today as it was then -- "[t]here is also a need for recognizing that the political process is not one that takes place in a selected period of time but is rather a continuing thing." Cong. Rec. 8779 (1968) (remarks of Rep. Price) See also id. at 8782 (remarks of Rep. Halleck) ("now, the sixth item: Keep your campaign funds separate . . . there again, when you come to draw that line between what you spend campaigning and what may be for something else, it is a little tough to draw . . . Because, there is another thing, you know, and some of you young people who are here just remember the only way you can come back here is to start running the day after election. An that means spending a lot of money and doing a lot of things, feeding your constituents . . . and



buying prize calves . . . I believe we have allowed for all of that"). The intent of the framers and managers of H.R. Rule XLIII, cl. 6 was to allow precisely the kinds of expenditures made by Congressman Boner, and no violation of H.R. Rule XLIII, cl. 6 has occurred.

Common Cause Magazine, the group most responsible for making the allegations of wrongdoing against Congressman Boner, has a long record of criticizing campaign finance practices. The group's well-known point of view is especially important to keep in mind when reviewing its "charges" about campaign fund abuse.

#### B. CERTAIN BUSINESS TRANSACTIONS

Common Cause and The Tennessean have suggested that for disproportionately small investments, Congressman Boner was given disproportionately large interests in various business deals. For example, the reporters state that for amounts like \$5 or \$50 the Congressman was given interests in property. The reporters never go on to explain, however, that no other investor in these transactions put up more than \$20 or \$250, respectively.

They also "reveal" that the Congressman had no liability in each venture without stating that all limited partners have no liability. That is why they are limited partners. Rather than getting any special treatment, Congressman Boner was treated like any other investor in each instance.

Allegations1. Investments With Gary Pricea. Greeneville Hotel Associates, Ltd.

Congressman Boner did take part in Greeneville Hotel Associates, Ltd., a Tennessee limited partnership formed in November, 1983. There were five general and three limited partners. It is absolutely true that Congressman Boner only invested \$5.00 and received a 5% interest. However, what all the stories have omitted to report is that the total capitalization of the partnership was \$100.00. The general partners put in \$20.00 a piece for 20% interests; one limited partner put in \$10.00 for a 10% interest; and Congressman Boner and the remaining partner put in \$5.00 for 5%. App. B1.

Pursuant to Tennessee law, none of the limited partners could sign or would be liable beyond their individual investments. Therefore, when, in August, 1984, the partnership purchased land in South Carolina and sought financing, none of the limited partners could or did guarantee the loan.

The partnership sought a franchise from Radisson Hotels. Ultimately, this arrangement did not occur. Then, certain of the partners tried to arrange a similar relationship with Hilton Hotel Corporation in August, 1985. In order to pursue this franchise, a new partnership was formed, with additional investors. Of the original partners in Greeneville, three of the generals and two of the limited partners, including Congressman Boner, did not participate in this new partnership.

None of these facts was reported by the press. Instead, they raised various innuendos by stating that, as a condition of financing the new partnership, the Third National Bank insisted that Congressman Boner not participate. App. B2. This charge is just another good example of how poorly the press has done its homework on this story and of how they would rather leave a suggestion of wrongdoing rather than doing the follow-up to see nothing improper occurred.

After reading that charge, an official at the Third National Bank wrote Congressman Boner on December 9, 1985 to repudiate the accusation and to state "At no time did [the Bank] ever intimate in any way whatsoever the reluctance of Third National Bank to finance a project if you were involved." App.B3.

As he has stated publicly, the Congressman did not accurately report his holding in Greeneville for 1983. This was because he mistakenly believed that the partnership was not activated until January 1984. There was no sinister motive behind this omission, which was corrected as soon as it was discovered. Indeed, there is a very good example of the Congressman's good faith. Congressman Boner's participation in Greeneville produced certain tax benefits to him in 1983. However, because he did not think the partnership was activated then, he did not report these tax benefits, just as he did not include this holding in his disclosure form.

b. Richmond Hotels Developers Unlimited

Richmond Hotels Developers Limited was a Virginia partnership formed in October, 1984. There were five general and two limited partners. Again, it is true that Congressman Boner's capital contribution was \$50, but it also is true that this fact has been published out of context. The total capitalization for Richmond was \$1000.00. One general partner contributed \$250.00 for a 25% interest; three general partners contributed \$150.00 each for 15% shares; the remaining general partners contributed \$100.00 for 10% interests; and the two limited partners, of which Congressman Boner was one, contributed \$50.00 for 5% interests. App. B4. So, the simple report that Congressman Boner got a significant interest in property for \$50.00 is accurate as far as it goes; it just does not go far enough. The Congressman's share was absolutely proportionate to the other partners and not small when compared to the total capitalization.

The partnership applied for and received a \$5 million loan from Sovran Bank for use in the purchase of land and construction of a building in November, 1984. Again, the reported fact that Congressman Boner did not guarantee this loan is true as far as it goes, but it ignores the compelling fact that, as a limited partner, Congressman Boner and any other limited partner were not supposed to or authorized to guarantee any investment above their capital participation. In addition, the Bank insisted that guarantees come from those with a net

worth of over \$1 million. Contrary to press reports, the Congressman did not qualify.

In November 1984, the partnership then applied for and received a franchise with Shoney's Restaurants. A year later, the partnership was reformed with capital contributions ranging from \$420.00 to \$50.00. Congressman Boner, along with the other limited partners, became Class B investors. Additional financing for construction was then secured. Thereafter, 35 additional investors were brought in, and each of these, in turn, were given priority status (Class A) over the Congressman and the original limited partners.

All of these transactions were properly documented and reported. The Congressman's participation in this partnership was in no way different than the other limited partners or with limited partners in generally recognized business transactions.

It should be noted that the Congressman gave his interests in this partnership to one of the original partners. App. B5. Obviously, this did not result in the gain to the Congressman that has been alleged.

c. West Atlantic City Associates, Ltd.

West Atlantic was a never-completed limited partnership to be formed in 1984 under the laws of New Jersey. The partnership never was able to purchase any of the sites the partners wanted and so no investment of money ever was required. The partnership, which was never activated, was officially dissolved in 1984.

2. Investments With J. Harold Shankle

a. B.B. & S Enterprises (Destin, Florida)

On October 23, 1981, Congressman Boner purchased a one-third interest in a condominium unit in Destin, Florida. The purchase was made by B,B & S Enterprises, a partnership. The other partners were J. Harold Shankle and Ronald P. Boyle, Jr. The purchase price was \$167,000. There was a \$33,838.70 down-payment and a \$135,827.17 mortgage (existing mortgage was assumed).

App. B6.

Each partner paid the same amount -- one third of the down payment; each shares equally in all expenses and liabilities. Again, Congressman Boner has disclosed the ownership interest and it is difficult to understand why this property has been raised by the press. Here the partners contributions were equal; their responsibilities and risks were the same; and, the property was purchased at market value. There simply is no issue.

All that Common Cause or anyone else has charged is that the Congressman "purchased a luxury condominium in Destin, Fla., a popular and expensive beach resort on western Florida." Common Cause Magazine, p. 21. It is interesting to note first that the press has learned of these investments not through any great investigation, but through simple reference to the Congressman's own financial disclosure statements. There has been no effort to hide these holdings. Also, the reporters' use of expressive words like "luxury" and "expensive" without any

attempt to list the costs or the Congressman's interest reveals the misleading intent of the story.

b. B & S Enterprises (East Nashville Properties)

Congressman Boner made other investments in property. Again, these were "revealed" in various news reports even though they have been reported on his financial disclosure forms. Also, there has yet to be a charge made about these investments other than the fact that they involved J. Harold Shankle. Common Cause states that Shankle's "major source of business has been through federal and municipal contracts." Common Cause Magazine, p. 21. The intent is to somehow link Shankle's getting such business with Congressman Boner. The reporters, however, never actually make that connection. They never point out that government contracts are sent out for closed bids and awarded to the low bidder. And, they never explain that there is no record of Congressman Boner's involvement in the bid process. Rather, the reporters are satisfied to cast a broad innuendo without specificity, without proof, and without one allegation of support.

This unfair and shoddy treatment aside, the facts will show again that these are all arms-length transactions at market value where the Congressman's interest was purchased for value and was proportionate to any other interest which exists.

B & S Enterprises, in which the Congressman and Shankle are the only partners, was formed on November 23, 1981. The purpose of the partnership was to buy, sell or lease real estate. In

all there were five pieces of property involved: 943 Russell Street, 1413 Stratton, 614 Russell Street, 2115 Early Avenue and 2034 Greenwood. Three of these were purchased at a public auction. All five were sold at public auction. Private deals simply were not involved. App. B7.

Financing for the transactions was provided by United Southern Bank and First American Bank. App. B8. When USB went into bankruptcy, outstanding debts were taken over by the Federal Deposit Insurance Corporation. B & S paid these off in 1984. App. B9. Each loan was arranged at market rate. The property and improvements on the property secured each loan.

Press reports were quick to point out those investments with Gary Price in which Congressman Boner's capital contribution differed from other partners' or in which his risk was limited. Some negative implication was intended. The press totally ignores the fact that here, the Congressman's contribution and risk were the same. Each partner's capital contribution was the same, and each shared equal liability and risk. If a sale of any property did not extinguish debt on that property, each partner contributed equally to pay back the debt. Any expenses which were required were paid equally by both partners.

The worst charge leveled by the press concerning these transactions appears to be that "Records indicate that B&S Enterprises has been a beneficial venture for Boner." Common Cause Magazine, p.21. Common Cause seems to have decided



that Members of Congress should not make a profit in legitimate business transactions.

Even so, the report about profits is unfounded. The reporters make their claims about "profits" by looking only at purchase and sales prices of various properties. There is no analysis of the costs of improvements or the costs and interest involved with mortgages. To put these transactions in proper perspective, it should be noted that the total value for all five properties was less than \$200,000. Loans went to about \$150,000.

App. B8. Indeed, when all loans are paid and all accounts received, the properties will have resulted in at least a \$50,000 loss to the partnership.

Reporters concerned about finding facts would know that building permits in public files at Nashville's codes department include rough estimates of building improvements. These permits describes at least approximate improvement costs and could easily have been found. App. B7.

The reporting on one property, 614 Russell Street, bears further scrutiny. Common Cause charged that Congressman Boner did not pay for the property and received profits from its sale. This is not the case.

In order to hold a piece of property that the Congressman and Harold Shankle knew was going to be auctioned, Shankle did on November 12, 1981 initially pay \$3,150 as a deposit from his personal funds. App. B10. The total price for the property was \$21,000.00 The remaining \$17,850.00 also was first paid by

Shankle on November 23. App. B11. However, Shankle had represented that the purchase was on behalf of B&S Enterprises and the receipt from the County Clerk's Office on November 23 lists "William Boner" as an owner along with Shankle. App. B.12. A week later, the B&S account at United Savings Bank was debited \$21,150.74 to pay for 614 Russell Street. Shankle got back the money he had paid in order to secure the property, and Congressman Boner was debited for half the purchase amount. App. B13. In other words, Congressman Boner did pay his one-half share. In addition, the article alleges that no improvements were made. This is simply wrong. Over \$23,000 in improvements occurred. Some \$17,500.00 of these improvement were done and paid for in March, 1982. App. B14. Finally, Common Cause reports that the property was sold back to the partnership by Shankle. That is only half the story. After Shankle first bought the property, and after he was reimbursed from B&S funds (Congressman Boner being responsible for half), Shankle decided to convert the property for low income rental and receive federal money to do so. When Shankle stated his intent, Congressman Boner quit-claimed his interest in the property so as not to have any business interest which received federal funds. The Congressman took this action to avoid any impropriety or the appearance of impropriety. Then, when Shankle changed his mind, the Congressman was given back his interest. Cntrary to press reports, absolutely no money changed hands in this paper exchange and absolutely no federal funds ever were used. The bottom line

facts, then, are that the Congressman paid his proper share for the property and paid his share for the substantial improvements that were in fact made. Given the improvements that were made and the costs of the loan, there was virtually no profit realized on this transaction. This is yet another thing the press has wrong.

The 614 Russell property provides a good example of what is wrong with the allegations that have been made. It takes one sentence in one article to suggest a charge. A reporter does not have to do all the research to find out the true facts. Then, after a careless assertion is made, it takes a great deal more effort to explain the transaction and to show that nothing improper occurred.

#### Analysis

One newspaper article reported that Gary Price, who introduced Congressman Boner to some of the above investments, referred to one of these partnerships as a "gift." Common Cause then has asked why this was not reported as a gift, as if some wrongdoing occurred. The answer is simple and obvious. When Gary Price was asked the question, he was asked it in the context of why he was bringing these opportunities to the Congressman's attention. To that he said it was a "gift" because he thought he "gave" Congressman Boner the opportunity to invest. In addition, the reporters who have been writing the articles about the Congressman asked Mr. Price what he expected to get in return for his partnerships with Congressman Boner. In response to these

reporters' very leading question, Mr. Price, in order to show he got or expected nothing, used the word "gift."

Once any investment was identified, the Congressman's participation was not a gift in any sense of that word. His contribution in each instance was proportionate to the other partners. His limits of liability were dictated by operation of law and also were the same as other limited partners. His "risk" in these business investments was not greater or less than the others in his same partnership class. Finally, he paid value absolutely proportionate to the value paid by others.

In addition, the House has defined "gift" to mean "a payment, subscription, advance, or anything of value . . . unless consideration of equal or greater value is received by the donor." H.R. Rep. No. 1837, 95th Cong., 2d Sess. 10 (1979). See also 2 U.S.C. § 107(3). Since it is clear that Congressman Boner was "given" nothing and that he gave fair market and totally proportionate value for his investments, it is clear from House precedents that his investments were not "gifts."

Members are also admonished not to accept "favors or benefits" under circumstances which might be construed as influencing their governmental duties. Code of Ethics for Government Service, H.R. Con. Res. 175, 72 Stat. p. 2, B 12 (1958); In the Matter of Representative George V. Hansen, H.R. Rep. No. 891, 98th Cong., 2d Sess. 325 (1984). Even had the true facts shown that Congressman Boner had not made equal and fair market value investments, then, the applicable rules again

shows that his conduct was still completely proper. It should be emphasized here that, even in the most accusatory press stories, there has never been a charge that Gary Price asked Congressman Boner for anything in return for providing the Congressman with a chance to invest nor that Congressman Boner did anything. The reason is simple and also dispositive of any suggestion that the investments were improper -- there was no such request and nothing done.

### C. ACCEPTANCE OF GIFTS

Still another area in which Common Cause and The Tennessean demonstrate their lack of knowledge about or understanding of the rules are their claims that Congressman Boner improperly received or reported gifts. The facts show that "gifts," as that word is defined, were not involved or that they were exempt from reporting.

#### 1. Joe Reeves Sale To Congressman Boner of Hydro-Sport Boat.

In the spring of 1983, Congressman Boner approached Joe Reeves about buying a power boat. Reeves let the Congressman use a Playmate 150 Hydro-Sport boat and engine in the summer of 1983 to decide if he liked it. The Congressman did use it, did like it, and told Reeves he wanted to buy it. Reeves said that he would follow up at a later date. As the summer was over, no further use of the boat was made, and it was taken out of the water and put in a barn. Both Reeves and the Congressman did not follow up until the following summer.

Sometime in 1984, Congressman Boner let Reeves know that he was prepared to pay for the boat. Reeves did not respond until December of that year; at that time he said that he wanted to close the sale by the new model year, June 1985. In May, pursuant to Reeves instructions, Congressman Boner paid him \$7,449.14 for the boat.

The reason the boat was not reported as a gift was because it was not a gift. From the start, the Congressman's expressed desire and intent was to buy a power boat. That is how he approached Reeves. It is true that consummation of the sale took a long time. Nevertheless, the length of time, not caused by Congressman Boner, should not change the nature of the transaction. In fact, there are a number of consumer-credit transactions in which an item can be purchased, with no money down, and payments postponed for a length of time. No doubt the postponement usually is less than a year, but the type of transaction is not unusual, especially between two people who know and trust each other.

In addition to alleging inaccurate reporting, Common Cause also tries to raise the spectre that Congressman Boner got use of the boat for helping Joe Reeves with legislation. They could not have the facts any more wrong.

Common Cause's article states:

Reeves was very interested in blocking the Reagan administration's threat to impound millions of dollars earmarked for projects such as new lakes and boat ramps. Reeves says the congressman arranged for him to testify before the congressional committee

considering the legislation in July 1981. When Reeves could not make it, he sent one of his employees. . . . Later, Boner voted for the legislation and then co-sponsored a resolution calling for its full funding.

Common Cause Magazine, p. 21. The first sentence might be the only accurate one in the paragraph.

Reeves was scheduled to testify in 1981 on H.R. 2250, a bill in the 97th Congress, introduced by Rep. John Breaux. Contrary to the allegation, the bill had nothing whatsoever to do with impounding of funds. The main effect of the bill was to amend the tax law to impose a tax on the sale of sport fishing equipment and boats. Congressman Boner did become one of a number of co-sponsors of this bill, but the bill died in Committee. Neither Congressman Boner nor any other member ever voted on it, as no vote ever occurred. Also, as people can arrange to sign up to testify on their own, the Congressman's minor action is hardly worth mentioning, that is, unless the intent is to give the impression of wrongdoing where none exists.

There was a bill seeking to block the Reagan Administration's impounding of funds. This was H.R. 165, introduced in the 99th Congress in 1985. Neither Reeves nor any of his employees were supposed to or did testify on this measure. Also, Congressman Boner never voted on this bill because no House vote was taken.

The only even-remotely related legislation in this area was H.R. 2163, which had still a different sponsor, Rep. Gerry Studds, and was submitted in the 98th Congress in 1983. This

legislation created the Wallop-Breaux Trust Fund for earmarking revenue from user fees and boat gas taxes. Again, neither Reeves nor an employee testified on this bill. This bill was passed by a voice vote of the House, under suspension of the rules, and so there is no record of the Congressman's or any other member's vote.

These bills were in three different Congresses, three different years, and had different sponsors. Indeed, the provisions of the bills differ markedly. Congressman Boner's role in each bill also differed. There is some circuitous allegation that Common Cause is attempting to make about the Congressman's participation in some legislation that effected the boating industry. However, the legislation and events on which the article bases its "charge" simply do not exist, and Congressman Boner did not take the actions or cast the votes alleged.

This does not mean that Reeves did not make his interest or concerns in specific legislative topics known to Congressman Boner. However, that is a far cry from being able to link any legislative activity in 1981 or 1983 with the Congressman buying a boat from Reeves in 1985. The allegation, whatever it is trying to say, ends up as a non sequitur.

## 2. Congressman's Use Of A Recreational Vehicle (RV)

It also has been reported that Congressman Boner failed to report use of a recreational vehicle (RV) in 1983. While he did use the RV, no reporting was required.



From 1981 to 1983, David Humphreys asked Congressman Boner to try an RV to see what it was like. Humphreys, who promoted the use of RV's, wanted the Congressman, as chair of the Travel and Tourism Caucus, to learn more about RVs. In 1983, the Congressman did make arrangements to use the RV. He asked to use it one two weekends: July 23-24 and July 30-31. In order to accommodate Humphreys, the Congressman picked the RV up on July 22. Also to accommodate Humphreys, he dropped it off on August 1. However, Congressman Boner used it only for four or five days. The other days, caused by Humphreys' schedule, the RV was kept parked.

The fair market value of the RV was \$40 day. At most, Congressman used it for five days. This resulted in a "gift" with a value of less than \$250, the threshold for reporting on financial disclosure forms.

The facts, again something that the Congressman's accusers have not been so diligent in getting, which confirm this explanation are, contained in a letter from David Humphreys. App. C1.

### 3. Contributions, Honoraria, and Travel

Even while acknowledging the Congressman's position on the Travel and Tourism Caucus, Common Cause throws that much more mud when it "reveals" that the Congressman gets campaign contributions or honoraria from travel industry representatives. By now, everyone knows Common Cause's position in support of public financing of elections. Everyone knows the positions the group has taken against honoraria. These policy positions and prejudi-

ces explain Common Cause's opinions, but they do not explain why that organization has singled out Congressman Boner for practices followed by virtually every member of Congress. His campaign contributions are within all limits and are fully reported. His honoraria also are within the limits set by the rules and are fully reported.

Reporters have pointed out the Congressman's trips to Hilton Head, London, Providence, Las Vegas, Los Angeles, Detroit, Taiwan, and others. Again, this is not an instance where some skillful investigative reporting has uncovered some startling new fact. Each of these trips was reported on Congressman Boner's financial disclosure forms. Each fell within allowable honoraria and travel rules which apply. Some of these were attended by other Members. Virtually all members take such trips and accept such honoraria, and honoraria are, of course, exempt from the definition of gifts. Advisory Opinion No. 2, House Select Comm. on Ethics (1977) reprinted in H.R. Rep. No. 1837, 95th Cong.1, 2d Sess. 59-60 (1979).

If all Common Cause is left with is the fact that the Congressman gets contributions and honoraria, then there is nothing to which to respond.

#### 4. Gifts From James Wellham

As will be discussed in more detail in the next section, before he tried to save himself by lying about Congressman Boner, Jim Wellham and Bill Boner were friends. The Boners and Wellhams socialized as friends do, and they exchanged gifts as

friends do. Before it soured, the relationship was quite like most friendships except that the Congressman was required by law to report certain gifts, even by friends, if their value exceeded certain amounts.

Press reports again have included only one side of the story -- the gifts Wellham gave the Congressman. However, the complete story was that there was an exchange of gifts, at holidays and other occasions where that would be normal between friends. For example, the press has pointed to the \$1300 suit Wellham gave Congressman Boner. There has been no report, because private citizens do not have to file financial disclosure statements, that the Congressman gave Wellham a \$1500 portrait.

Since the suit has attracted so much attention, some additional facts should be known. The tailor who made the suit has said that Congressman Boner had no idea of its costs until after it was made. In fact, the tailor also has stated that Wellham specifically told the tailor to allow the Congressman to choose only from among expensive bolts of cloth and specifically told him not to reveal the cost. Since the suit was properly reported (indeed that is again the way the press has "found" out about it), there really is no issue of impropriety to address. Nevertheless, since some implication of wrongdoing clearly was intended, this explanation has been provided.

The press also has reported on a trip the Boners took with the Wellhams to Los Angeles in September, 1982. At this time, Mrs. Boner was working for Wellham's company, American Specialty

Metals. Wellham said he was going to California to meet with the company's west coast sales representative, Robin Coop. He specifically suggested that Mrs. Boner might take on that same role for the east coast. He wanted Ms. Boner to meet with Ms. Coop to see what she did.

Again, at this time, the Boners and Wellhams were friends. The Congressman viewed the trip as a way to learn more about Wellham's business and how it fit into defense issues. The Congressman used the trip to do factfinding at two or three defense plants and offices (e.g. Hughes Helicopter).

The trip was four days. The couples flew on commercial airlines and stayed at a hotel. The entire trip was accurately included in Congressman Boner's financial disclosure forms for 1982. Once again this is how the press "discovered" it. And, once again, the trip is unassailable. In addition, as Mrs. Boner was working for ASM, her portion of the trip was not a "gift" as defined in the law and was exempted from any reporting.

In fact, that trip and discussions Mrs. Boner had in Los Angeles actually provide additional proof that she was a bona fide employee of ASM, was assigned real tasks, and performed those tasks.

#### D. CIRCUMSTANCES SURROUNDING SPOUSAL INCOME

Common Cause, as well as others, have raised three serious allegations of wrongdoing against Congressman Boner. In each, the charge is that the Congressman helped someone out in exchange for that person providing his wife with employment or with a

salary without work. While the press is attempting to show some type of pattern so that one "incident" spills over onto the other, a review of each charge shows that they are not related and that nothing improper occurred.

1. Work For James Wellham

One charge was that Congressman Boner accepted a bribe (i.e., fees to his wife for no work done) by defense contractor James Wellham. This charge was made by Wellham himself. No one disputes that the charge was made only after Wellham was arrested for massive government fraud and was facing possible conviction and jail. In order to get out of having to face a jail sentence for defrauding the government, Wellham volunteered that he had information against Congressman Boner. In other words, Wellham was perfectly willing to say what he had to about the Congressman to protect his own hide.

As Common Cause and others have pointed out, Congressman Boner was and is known for his work in his district and attention to constituent needs. When Wellham, a defense contractor in his district, had problems dealing with the federal government, it was natural for Wellham to ask the Congressman for help and it was natural for the Congressman to provide assistance. This arrangement occurs hundreds of times a week in every member's office. Indeed, this Committee has recognized that "[i]t is [members'] duty, directly or through our staffs, to assist constituents with their problems before the agencies of the

Federal government." Ethics Manual, supra, at 37, quoting March 14, 1974 letter from Standards Committee.

There is also no doubt that Wellham and the Congressman became friends. Occasionally, they would see each other socially. Together, they also tried to get more work for the Congressman's district, again something that is done by virtually all members trying to bring more jobs to and improve the economy in their districts.

At one social dinner in November, 1981, the Congressman, his wife, Wellham, and his wife were discussing why Mrs. Boner stayed in Nashville. Wellham said that he could help get her to Washington by hiring her and using her knowledge of Nashville and Washington. Mrs. Boner did not accept the position immediately. Only after discussing the situation did she agree to the job. Also, Congressman Boner, as was and is his practice, called and spoke with someone on the staff of the Standards Committee to make sure there was no general prohibition which applied. Neither the Congressman nor the Standards Committee followed this call up with a letter. Mrs. Boner was hired for \$25,000.00 a year and a contemporaneous job description was prepared by Wellham and Mrs. Boner. App. D1. Her employment was properly reported on Congressman Boner's financial disclosure forms.

In Washington, Mrs. Boner did research, kept up with various lists of people to whom Wellham could sell his products,

kept up with the awarding of defense contracts, tracked federal legislation, and did certain public relations work.

To prove the allegations of a bribe, reporters have pointed out that Mrs. Boner has no records or copies of her work for Wellham. However, she worked for a salary and did not have to keep traditional time records. In addition, she did not have photocopier facilities to make duplicates of her work. The originals were sent to Wellham who, by now, probably has destroyed them in order not to undermine his tale. Similarly, Mrs. Boner did not have a secretary to keep track of files and records. Finally, Mrs. Boner moved three times since then and, each time, more and more unnecessary things have been discarded.

Reporters also have raised the question of why payments by Wellham were made to Mrs. Boner in her maiden name. Of course, the implication is that the Boners were trying to hide her true identity. The fact is that, when she did practice, Mrs. Boner used her maiden name. That is how she is licensed. App. D2.

Nevertheless, that documentation which does exist supports Mrs. Boner's position. There were business cards and stationary printed for her. App. D3. She did open a post office box in Washington. App. D3 (address on card); D4 (copy of box key). A job description was prepared for her, App. D1, and she did arrange to have Wellham send a typewriter and desk brought to the Boner's Washington home. The Boners reported the use of their home on their taxes for these office purposes. Also, Mrs. Boner has found some correspondence from the time which would be in

keeping with her doing the work she had claimed. App. D5. Finally, a Los Angeles trip on which Mrs. Boner met a westcoast employee of Wellham's firm and discussed with Wellham the possibility of going into sales already has been mentioned. See p. 45, supra. All of these would have been unnecessary if the arrangement, as Wellham claims, was to be a pay-off for no work.

Eventually, Mrs. Boner moved back to Nashville to work in a law firm. That firm also did work for Wellham, and she continued to receive payments for the work she did there, including monitoring legislation in which Wellham was interested.

Despite Congressman Boner reporting his wife's employment and despite the fact that people at her law firm knew of her work and the payments made, no complaint was made and no question ever was raised until Wellham made up his story to try to cut a deal and alleged that he had "bribed" the Congressman.

Again, some of the facts are not in dispute. Wellham's company was audited by the Department of Defense. The audit revealed that Wellham was providing material below specifications. The DOD auditors brought the case to the attention of the Department of Justice. Confronted with the discovery of his wrongdoing, Wellham took a well-worn path to save himself -- try to focus attention on someone else. The higher the person the better, and Wellham had a candidate in mind, his friend Congressman Boner.

Wellham fabricated a movie-plot story that all along Mrs. Boner had done no work for him, and her salary was a bribe.



This was a statement that law enforcement officials could not ignore. Enticed by the prospect of a bigger "catch," the prosecutors and FBI were willing to use Wellham as bait. Aware that Wellham might be lying, the Government arranged for him to be wired for a meeting with Congressman Boner. Wellham called the Congressman and asked to see him. They met in March, 1984 at a hotel in Washington, and Wellham tried all he could to get the Congressman to say something to incriminate himself. Finally, he came right out and said: "It will look like you took a bribe." The Congressman, surprized, upset, and puzzled, replied: "Jim, you know she did work for you, just tell them the truth." If that were not enough explanation to completely repudiate Wellham's charges, the FBI provided even more. Upset that they had made what was beginning to look like a bad deal and concerned that they might not get their prized "catch," a U.S. Congressman, the prosecutors and FBI gave Wellham a lie-detector test about the events he charged. He failed. Apparently, Wellham now claims to have passed another such test which he arranged for himself.

That ended the matter until someone in Government, still upset about the bad deal made with Wellham and trying to vindicate their own error in trusting Wellham, tried to create a story that the Congressman knew that Wellham was wired when he made his exculpatory statement. The press has picked up (or been leaked) this explanation, and they have the facts here as wrong as any. They have reported that Wellham told a colleague of Mrs. Boner that the FBI was investigating his relationship with the Congres-

man and that this colleague then told the Congressman. The fact is that someone who worked for Wellham may have told Ken Switzer, a then colleague of Mrs. Boner, that Wellham was under investigation. However, the statement was that the Department of Defense had been auditing or investigating.

Switzer has been quoted in press reports as saying that he was told that the FBI was involved and that he tried to reach Congressman Boner. He admits he did not get through to the Congressman. He says he told another lawyer in his firm, Bob Langford, to pass the information onto the Congressman. Langford, however, says that the FBI never was mentioned and that he did not tell the Congressman in any event.

There also have been news reports about a February 1984 meeting at the Congressman's house. The Congressman, Mrs. Boner, Switzer, Langford, and Butch Eley, an aide to the Congressman, were present. Press reports have stated that Switzer claims that the FBI was mentioned at this meeting. All of the other participants at this meeting state that the DOD audit was the only thing that was mentioned. In fact, the participants specifically remember reference to the inferior quality of Wellham's work.

The purpose of the meeting was, frankly, to discuss the DOD audit of Wellham. Mrs. Boner worked for him; he was a friend of the Boner's; and, he had contributed to the Congressman's campaign. The group was concerned that revelation about Wellham's DOD problems could be politically embarrassing. This

is what they gathered to discuss. At no time, however, was the Justice Department, the FBI, or any involvement by or allegation about Congressman or Mrs. Boner mentioned.

Congressman Boner never has denied that he knew of some DOD audit. Indeed, Wellham told the Congressman of this himself, but no one ever mentioned the FBI to the Congressman. In addition, at most, all Congressman Boner "knew" was that DOD auditors were looking into Wellham's contracts. He did not know whether the audit was routine, looking for overcharges, looking at quality, etc. He had no reason in the world to connect that knowledge with the suspicion that he was being accused of being involved.

In the midst of all of these "what did he know and when did he know it" questions, a few things have been overlooked. The allegation is that Wellham bribed the Congressman, but there really has never been any explanation of what the bribe was for.

Congressman Boner did make efforts on Wellham's behalf, but he did this, as he did with so many others, as part of his constituent services. In addition, it is not as if Congressman Boner started doing anything for Wellham only after Mrs. Boner was employed. Probably two-thirds of any activity that did exist occurred before Mrs. Boner was employed. What also has received too little attention is the fact that no matter what the order of conversations with Switzer or Langford or anyone else, Wellham failed the FBI-administered lie detector test. This should seriously undermine the whole basis for this story being investigated in the first place. Focusing on what the Congress-

man knew, rather than on whether anything wrong ever occurred makes no sense at all.

While the Congressman's accusers will continue to try to fabricate facts and tidbits which explain how the Congressman might have known or could have known or could have been tipped of, all that is after-the-fact attempts to make something which does not exist. As one example, some have asked why Congressman Boner did not report his conversation with Wellham. Report to whom? Wellham told the Congressman that he (Wellham) already was being investigated. Congressman Boner had no reason to suspect he had been implicated. Wellham said it would look like a bribe, and the Congressman told him to tell the truth. What was there to report and why? This was not a statement that Wellham was going to lie and say it was a bribe. In that event, the Congressman might have reason to protect himself. Here, however, he thought his "friend" would tell the truth. There was nothing to report.

The undisputed facts remain that every paper (e.g. financial disclosure form) and every conversation (e.g. wired meeting with Wellham) and every piece of collateral evidence (e.g. Wellham's failed lie detector test) support the Congressman's statement. On the other side is the unsubstantiated word of a person convicted of defrauding the Government by providing cheap material which did not meet specifications for the doors used on this country's missile silos. Every attempt to collaborate his story has failed. His motive to lie is obvious, and his ability

to support that lie has failed miserably. Nevertheless, this allegation continues to be made without any additional proof.

2. Work for J. Harold Shankle

As previously explained, J. Harold Shankle is a friend and business partner of Congressman Boner. Shankle and the Congressman have been partners in B&S and BB&S Enterprises.

Like Wellham, Shankle's company, a construction firm which does work for the federal government, is in the Congressman's district. Over time, as he has done with other constituents, the Congressman also has helped Shankle when he has had to cut through Government red tape. That is all Congressman Boner ever did.

The charge has been made that either for his investment opportunities with Shankle or for work Shankle gave Mrs. Boner to do, Congressman Boner interceded on Shankle's behalf to get him special treatment at the Veterans Administration. The facts already have shown that the Congressman's investments were all for fair market value paid and all properly reported. In addition, these investments have not necessarily resulted in any profit. The rest of the facts will show that Shankle did not get special treatment at the VA, that any intervention by Congressman Boner's office was that normally done by members on behalf of their constituents, and that, in three of the four occasions, the legal work that Mrs. Boner did for Shankle was on those properties in which her husband had an interest. In other words, it

was Congressman Boner who had his wife do the ministerial acts involved in real estate closing in order to save fees.

In 1983, the VA did request sealed bids for the renovation of a clinical laboratory in Nashville. Bids were requested in three separate ways: one included the total cost of the project; another was just for the cost of asbestos removal alone. There were at least eight different bidders, Shankle being only one. There has been no allegation whatsoever that Congressman Boner had anything at all to do with bringing the project to Shankle's attention, with providing information to Shankle on how to bid, or in any other way with the submission by Shankle of his bid.

On April 15, the bids were opened. Shankle's was the lowest by a little more than \$70,000.00. His bid was \$ 1,049,552.00. A few days later, after being informed of the bids and the disparity in the prices, Shankle discovered that a completely innocent mistake had been made. Because of the way the bids had been requested, his total bid amount did not include the cost of asbestos removal. However, while he did not include it in the total, Shankle did state, on his original bid, that asbestos removal would cost \$60,000.00. Shankle wanted to have his bid revised to reflect this mistake. As it turned out, the final amount would still be lower than the others and would save the Government money.

On April 20, Shankle called Congressman Boner's office in Nashville. He asked who to contact at the VA and whether

mistakes were provided for in VA procedures. They were. An aide to the Congressman then arranged for a meeting between Shankle and the VA. The meeting took place on April 21 with Shankle, a Vice President in his office, and various VA officials. At the meeting, the VA Contracting Officer, Ralph Tramel, asked that Shankle substantiate his claims.

Later that same day, Shankle delivered to Tramel information to substantiate what had occurred and a corrected bid (with asbestos removal) for \$ 1,109,972.00. On April 25, the Nashville VA Director forwarded the request to VA Assistant Deputy Administrator for Procurement and Supply in Washington, D.C. without a recommendation.

Contemporaneous file memoranda made when these events occurred (and released pursuant to the FOIA) show that Congressman Boner's inquires about this matter were perfectly legitimate.

App. D6. A notation on May 5 indicates that the Congressman called "to inquire about the status of a mistake on the bid from VA Medical Center Nashville, TN." The response indicated from the VA officials taking the call is instructive:

I told him I had the file (rec'd 4/28) but had not reviewed it yet.

I said it would be reviewed shortly and that it would then be sent through General Counsel for the required legal review. He asked me to call him back after I had reviewed it to let him know what my recommendation would be.

There is nothing in that contemporaneous record to indicate that Congressman Boner did anything more than to make a status

inquiry. That is because Congressman Boner never did anything more than that. Both the caselaw and the Standards Committee's interpretative rulings approve status inquiries of the kind Congressman Boner's office made to the VA. United States v. Quinn, 141 F. Supp. 622 (SDNY 1956); Advisory Opinion No. 1, (Jan. 26, 1970), reprinted in Ethics Manual, supra, at 148.

Common Cause's article states that the local VA office refused Shankle's request, raising the suggestion that it was the Congressman's intervention which caused the VA to change its mind. The facts, as shown in the VA's own files, do not bear this out and undercut the entire allegation.

On June 1, the VA office made a recommendation that the request be approved. In doing so, the official specifically recognized how the asbestos removal part of the bid could have been left out:

The key to verification of the alleged mistake here is that the estimator consistently treated asbestos removal as a separate item. It was never made part of the pricing of bid item I or II. . . . We conclude that their work-sheets confirm clearly and convincingly that a mistake did occur and also that the total amount of the intended bid is equally clear . . . .

The memorandum goes on to acknowledge that the correction will not displace any other bidder because the corrected amount is still the lowest.

Almost a year later, when press began to inquire into everything that Congressman Boner ever did, calls were made to



the VA about this correction. Again, a memorandum created at the time the press inquiry was made also reveals that the Congressman's role was proper and consistent with the discharge of his responsibilities. Mr. Richard D. Isaac of the Southeastern Region wrote that, to the question about Congressman Boner's involvement, he stated: "To our knowledge, Mr. Boner attempted to have no influence on the award of the contracts involved." App. D6. Still not content with the answer, media then sought VA interviews on whether even this involvement by a congressman was unusual. Again, VA memorandum kept about the press inquiries show the innuendo of the press questions, the appropriateness of the Congressman's actions, and the consistency of the VA's reply:

A. Isn't it unusual for a Congressman's office to represent a contractor on such an issue? ANSWER: Not unusual. Many individuals contact their congressman for assistance whenever they are having difficulty dealing with the government.

\* \* \*

E. I note that the contract exceeded the original completion date. Is this not unusual? ANSWER: In a contract of this size, normally a number of change orders are required due to unforeseen problems. If the change order is substantiated, the contract completion date may be exceeded. I seem to recall in the laboratory project that there was a problem with a supplier going out of business and a new supplier having to be located.

F. Did Congressman Boner ever contact you personally with regard to Mr. Shankle's problems? ANSWER: No, Mr. Hunt contacted me.

\* \* \*

H. Was the decision to allow the change in the original bid made locally? ANSWER: No, it was approved in Washington.

I. Is this unusual? ANSWER: No.

\* \* \*

M. Did Congressman Boner or his office apply unusual pressure in the Shankle case? ANSWER: Not that I am aware of. On both occasions, Walter Hunt and I merely expedited the meeting between the officials involved so that a resolution could be achieved. App. D6.

Finally, Mrs. Boner did not do a great deal of work for Shankle. Her only involvement was to serve as a settlement attorney on the closing of four pieces of property. Three of these (943 Russell Street, 1413 Stratton, and 2034 Greenwood) belonged to Congressman Boner as well. What is more, the work was done by the law firm of Langford, Switzer & King, for which Mrs. Boner worked at the time. Congressman Boner wanted to have his wife's law firm do the closing to save fees. The firm was paid approximately \$150.00 for each closing, and all fees were paid directly to the firm. App. D7. There is no question, as has been raised with Wellham, that this work was not performed.

Once again the charge -- special treatment arranged by Congressman Boner -- is not supported by the evidence. That evidence which does exist supports Congressman Boner and is not contained in after-the-fact statements or unsubstantiated charges by those trying to save their own hides. It exists in contemporaneous memoranda kept in the normal course of business by people with no interest in the results. Despite the availability of this type of evidence, completely supportive of Congressman Boner's statements, the media and others have raised the charge of wrongdoing and influence peddling and ignored telling the rest of the story.

### 3. Work for Joe Reeves

Finally, Mrs. Boner did do legal work for Joe Reeves. This work has been lumped by the press with the allegations by Jim Wellham in order to suggest some pattern of Mrs. Boner being paid for not doing any work. However, this is clearly not the case, and Reeves would be and has been the first to say so.

In March or April of 1983, Joe Reeves asked Mrs. Boner whether she could do work for him concerning trademarks on his boats. She said she would like to do the work. At the time, she was working for Langford, Switzer. A normal retainer arrangement was made in which Reeves paid the firm \$5,300.00. Following this, Mrs. Boner did do extensive work researching trademark law, filing for trademarks, and keeping track of conflicting trademarks. She spoke with and corresponded with officials at the Trademark and Patent Office in Washington, D.C. App. DS. A file at the firm was created and kept current.

In addition to the retainer, Reeves also reimbursed the firm for filing fees. This totalled about \$300.00. Pursuant to the arrangement Langford, Switzer had with Mrs. Boner, the check sent to pay for her work was endorsed by the firm to Mrs. Boner.

Because of the way Mrs. Boner was paid -- endorsement of the check -- Mrs. Boner did not make a proper record of the receipt of the payment. Then, in turn, when the Boners compiled documents to put together their taxes, this payment was omitted.

The income was initially omitted from their returns. When the issue of Mrs. Boner's work for Reeves was questioned, and Mrs.

Boner went back to compile her records, she discovered that the payment had not been initially reported on their taxes. The Boners have since filed corrected returns.

There is simply no basis to any charge that Mrs. Boner did not do the work for Reeves she claimed or that the work was in any way improper. Indeed, Reeves himself confirmed to the press that it occurred. So, despite the attempt by the press to paint Mrs. Boner's work for Reeves in the same color as the Wellham allegations, the plain facts do not permit this. A payment to the law firm was made for work done. The work done was private legal work, and it did not involve Congressman Boner in any way.

#### CONCLUSION

From the start of the press allegations against Congressman Boner, there has been one overwhelming problem. For some time now, public officials have been scrutinized with far less benefit of the doubt than at any time in American history. An allegation, standing alone and with little support, often has been enough to cause an elected official's defeat. Two allegations, then, can be devastating. Knowing this, press often have taken advantage of public officials' special vulnerability. They know too well that it takes a sentence to make a charge and a ream of paper to rebut it. While this should result in even greater caution before an allegation is made, it too often results in less.

Similarly, there is the adage that where there is smoke, there is fire. Sometimes, however, where there is smoke, there only was a very small match that was allowed to smolder too long. There have been so many allegations leveled against Congressman and Mrs. Boner, that there is the legitimate fear that the number alone will dictate the conclusion. Rather than closely examining each and every allegation to determine the source, the proof, and the follow-up, the Standards Committee could easily take an easier way out. It could decide that there must be something wrong simply because there are so many things alleged. That too would unfairly exasperate the situation in which public officials find themselves.

However, if a truly impartial review of each charge is done, the result will be fair and just. What will that review find?

It will find a series of campaign fund expenditures which might be unique in how they were structured, but which meet all the requirements and rules concerning elections. It also will find that, rather than providing for his personal gain, Congressman Boner took extraordinary steps to separate his political and official activities without making any money.

That impartial review will also find that, like hundreds of members of Congress, Congressman Boner participated in legitimate, arms-length, business investments. He did this for fair market value paid and for value equal to that paid by others in

his same partner class. He did not get special treatment, and he did not do anything in return for his business opportunities.

An impartial look will reveal that the issue of improper gifts is a red herring. Gifts were either properly reported or they were omitted from reports based on a legitimate claim of exemption. Even if this claim is in error, there is no evidence of any motive to conceal. The value of all the so-called unreported gifts (e.g. use of an RV, use of a boat before payment) is less than \$500.00, and those who "gave" these "gifts" got nothing in return.

Finally, that impartial review also will find that Mrs. Boner did actual legal and other work for each person she has claimed. Jim Wellham's accusation to the contrary is facially suspect, and all of his attempts to support his lie have failed.

Both Harold Shankle and Joe Reeves have confirmed that Mrs. Boner actually did work for them. This work was completely proportionate to any fees (e.g. a \$150 fee for a real estate closing) paid. There was no attempt by the Boners to hide the work or the fees paid. These certainly were known to lawyers in Mrs. Boner's law firm. Some might like to create a pattern of favors done by Congressman Boner for money paid to Mrs. Boner for non-existent legal work, but the facts show that both parts of this allegation -- the favors and the payment for no work -- are untrue.

Congressman Boner never has claimed that he made no mistakes. Perhaps he and Mrs. Boner were naive in allowing their

friendship with Jim Wellham to grow. Perhaps the Congressman should have turned down arms-length business investments simply because he was a public official who receives greater scrutiny. Perhaps he should have followed the lead of so many of his colleagues and used House funds for more of the political aspects of his job. Perhaps he should have had a battery of accountants and lawyers advise him in every decision he made. All of these are after-the-fact conclusions with which the Congressman might agree.

The unbelievable scrutiny which Congressman Boner has been given has revealed mistakes. Some of his disclosure forms were late; some transactions were reported in only one part (rather than in two parts) of the appropriate form; and, perhaps he should have taken a more inclusive approach in dealing with still other events like his purchase of the boat. Again, there is no argument that, having it to do again, there are a number of things the Congressman would do different.

However, it is a long way from acknowledging these shortcomings and mistakes to the serious allegations of bribery and influence-peddling that the press have tried to make. Too late for the defense industry and for Congressman Boner, Jim Wellham has been revealed to be the liar he is. And, without Wellham's allegation, there really is very little there against Congressman Boner. The questions raised over the use of campaign funds, tardy financial disclosures, and investments in which the Congressman paid market value simply do not justify Congressman

Boner being singled out for press sensationalism, federal investigation, and House ethics inquiry.

The outrageous allegations and the almost weekly front page newspaper stories already have damaged Congressman Boner's reputation and standing. He may never be able to fully recover that which has been lost. There is no doubt that there were and are legitimate issues and questions to be raised. This does not excuse, however, the press sensationalism, shoddy research, and either purposeful or lazy failure to print all the facts that easily could be found.

What Congressman Boner seeks now is this chance to present all of the facts and his side of the story. He wants an expeditious review so that these charges no longer can be used politically. This review may indicate that he could do things better in the future, but it also will show that the serious charges of wrongdoing that have been made are untrue, unsupported, and unprovable.



**BRAND & LOWELL**

FIFTH FLOOR  
923 FIFTEENTH STREET, N.W.  
WASHINGTON, D.C. 20005  
(202) 662-9700

March 17, 1986

**BY HAND**

Ralph L. Lotkin, Esq.  
Chief Counsel  
Committee on Standards of Official Conduct  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Lotkin:

We are forwarding Congressman Boner's statement in response to the preliminary inquiry voted by the Standards Committee on February 5, 1986.

As Congressman Boner states in his cover letter to the Committee, he is very anxious to provide the Committee with anything it needs in order to facilitate the inquiry and resolution of this matter. Along these same lines, we look forward to working with you and John Hoefler to follow up on the Congressman's statement.


Let us point out one continuing concern that we have. Certain members of the press have shown that they will go to great lengths to print half-truths or actual incorrect charges about the Congressman. These same reporters have also been able to encourage and benefit from leaks that have occurred. These leaks all have been from the law enforcement agencies involved with the case. The Committee and its staff, as is its practice and reputation, has been able to maintain the confidentiality that Members deserve in these procedures. We want to thank the Committee for its practice and reiterate the importance of confidentiality in the future. The premature release of any of the information contained in the Congressman's statement would seriously undermine the Committee's procedure.

As you and the staff review the Congressman's statement and have questions or want additional documents, please let us know. We also would appreciate your letting us know what the Committee's schedule for resolving this matter will be.

Ralph L. Lotkin, Esq.  
March 17, 1986  
Page 2

Again, we want to thank you for your continued consideration. Please let us know what else we can do to facilitate an expeditious resolution of this matter.

Sincerely,

  
Stanley M. Brand

  
Abbe David Lowell

Enclosures

**BILL BONER**  
 7TH DISTRICT TENNESSEE

COMMITTEES  
**APPROPRIATIONS**  
 ENERGY AND WATER DEVELOPMENT  
 HUD-INDEPENDENT AGENCIES

SELECT COMMITTEE ON AGING

CHAIRMAN  
 CONGRESSIONAL  
 TRAVEL AND TOURISM  
 CAUCUS



**Congress of the United States**  
**House of Representatives**  
 Washington, DC 20515

DISTRICT OFFICE  
 552 U.S. COURTHOUSE  
 NASHVILLE TN 37203  
 615-736-6290

WASHINGTON OFFICE  
 ROOM 107  
 CANNON HOUSE OFFICE BUILDING  
 202-226-4311

March 17, 1986

**BY HAND**

Honorable Julian C. Dixon  
 Honorable Floyd D. Spence  
 Committee on Standards of Official Conduct  
 U.S. House of Representatives  
 Washington, D.C. 20515

Dear Chairman Dixon and Ranking Minority Member Spence:

On February 4, I wrote you and requested that the Committee begin a review of the many press allegations that had been made against me. In my letter, I pledged my complete cooperation, and offered to provide the Committee with all the information I had.

The following day, February 5, the Committee did vote to initiate a preliminary inquiry into the allegations that were made. The Committee's resolution organized these charges into four categories concerning use of campaign funds, business transactions, gifts, and my wife's income.

Following up on my earlier pledge and pursuant to the Committee's own rules (Rule 11(a)(2)(A)), I am enclosing my statement in response to the preliminary inquiry. My statement tracks the Committee's resolution to present my side of events in the four categories mentioned above. In addition, I am providing the Committee with copies of documents which further set out my explanation. In all, the over 60 pages of narrative and 100 or so exhibits should provide the Committee with the information it needs to resolve this matter completely and expeditiously.

Certain members of the press have been totally irresponsible in their reports about my activities. You will see that many of the so-called charges could easily have been disproved had the reporters been seeking the truth. I have tried to include every allegation that has been raised in this statement even though, to do so, gives more credence to the allegations than they often deserve.

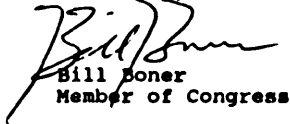
Honorable Julian C. Dixon  
Honorable Floyd D. Spence  
March 17, 1986  
Page 2

In addition to providing this material, I would be happy to cooperate in any other way that will facilitate the Committee's review. What I seek now, is what I always have sought -- a fair, impartial review of the true facts and an expeditious resolution to this matter.

Please let me know if the Committee needs anything else, and please let me know the Committee's schedule for reviewing the allegations and my statement and its making its report to the full House.

Thank you again for your consideration.

Sincerely,



Bill Boner  
Member of Congress

Enclosure

5TH DISTRICT TENNESSEE  
 COMMITTEES  
 APPROPRIATIONS  
 ENERGY AND WATER DEVELOPMENT  
 INDEPENDENT AGENCIES  
 SELECT COMMITTEE ON AGING  
 CHAIRMAN,  
 CONGRESSIONAL  
 TRAVEL AND TOURISM  
 CAUCUS



**Congress of the United States**  
**House of Representatives**  
 Washington, DC 20515  
 February 4, 1986

DISTRICT OFFICE  
 563 U.S. COURTHOUSE  
 NASHVILLE, TN 37203  
 615-726-6700  
 WASHINGTON OFFICE  
 ROOM 107  
 CANNON HOUSE OFFICE BUILDING  
 205-335-4311

Honorable Julian C. Dixon  
 Honorable Floyd D. Spence  
 Committee on Standards of Official Conduct  
 U.S. House of Representatives  
 Washington, D.C. 20515

Dear Chairman Dixon and Ranking Minority Member Spence

Over the past few weeks, there have been a number of newspaper articles which raise questions about certain of my campaign finances and transactions. I have tried to answer the inquiries raised as thoroughly as I could.

It is, of course, an election year. Already my opponents and potential opponents are beginning to use these newspaper articles for their own political purposes.

When these articles first began appearing last year, I specifically told Chairman Dixon that I looked forward to having a fair and impartial forum in which any allegation could be cleared up. I now realize that there are those who do not want to have these issues aired and who are content with allowing these unfounded charges to snowball, without answer, straight through to the election. This one-sided, political approach is not fair. As I stated some months ago, I want only a fair forum in which to set the record straight.

Consequently, I am formally requesting that the Committee on Standards of Official Conduct take immediate action to investigate and review my conduct in any or all of the areas identified by the press. Whether this review occurs as a preliminary inquiry or under some other procedure of the Committee, it is my desire that there be no delay and that I have the opportunity to answer all of the questions which have been raised.

On my part, I pledge my total cooperation to the Committee's review. I will provide information and documents which readily will show just how unfounded and unfair the charges that have been made against me really are. In fact, I also will be able to show that the campaign and personal spending decisions I made

Honorable Julian C. Dixon  
Honorable Floyd D. Spence  
February 4, 1986  
Page 2

were supported by the rules of the House and the interpretations the Committee has made to various standards of conduct.

I am not saying that I might not have been able to file clearer statements or reports or that, given decisions which have been recognized to be discretionary, someone might disagree with a decision I made. I am stating, and am confident that the information I have will prove, that I followed accepted practices and procedures and that I have committed no violation of law or rule.

Perhaps, the financial and reporting decisions that I and other members have had to make will demonstrate that further clarifications in the rules are necessary. If that is the case, then the charges against me, even if improperly motivated, and the review that I am requesting will serve a useful purpose

Please let me know when, at the Committee's earliest opportunity, the review that I have requested can begin. Then, please also let me know how I can expedite this review and cooperate with the committee

I appreciate your consideration and prompt attention to this matter.

Sincerely,



Bill Boner  
Member of Congress

BB/dsj



GMAC 7880C

KEEP THIS NOTICE-INCOME TAX INFORMATION

**GMAC**  
FINANCING

02-02-84 123-0290-97520

Date Issued

Account Number

Year	Finance Charge	Year	Finance Charge	Year	Finance Charge	Year	Finance Charge
1984	1072.20	1985	837.13	1986	547.27	1987	10.22

SHOWN ABOVE IS THE AMOUNT OF FINANCE CHARGE YOU WILL INCUR DURING THE PERIOD COVERED BY YOUR INSTALLMENT CONTRACT PROVIDED YOU ADHERE TO THE ORIGINAL PAYMENT SCHEDULE. THE AMOUNT FOR EACH YEAR IS CALCULATED UNDER THE RULE OF 78'S METHOD (SOMETIMES REFERRED TO AS SUM OF THE MONTHS DIGITS METHOD). THE INTERNAL REVENUE SERVICE HAS RULED THAT GMAC FINANCE CHARGES CALCULATED UNDER THIS METHOD ARE DEDUCTIBLE AS INTEREST FOR U.S. FEDERAL INCOME TAX PURPOSES.

SEE REVERSE SIDE IF YOU PREPAY OR REFINANCE YOUR ACCOUNT OR IF YOUR CONTRACT DOES NOT CALL FOR EQUAL MONTHLY INSTALLMENTS.

GENERAL MOTORS ACCEPTANCE CORPORATION

in a  
be  
upon to the  
will be issued  
is using in



DETACH HERE	
ACCOUNT NUMBER 123 0290 97520 BRANCH CITY	ACCOUNT NUMBER 123 0290 97520 BRANCH CITY
5 13 DATE	6 13 DATE
304 10 AMOUNT	304 09 AMOUNT
GENERAL MOTORS ACCEPTANCE CORPORATION	GENERAL MOTORS ACCEPTANCE CORPORATION
PLEASE DO NOT WRITE EXCEPT INSIDE OF LABELS	PLEASE DO NOT WRITE EXCEPT INSIDE OF LABELS

2

LEASE AGREEMENT

This is to signify an agreement between William H. Boner and the Re-Elect Congressman Boner 1986 Committee for the lease of a 1984 Pontiac Bonneville owned by William H. Boner. The campaign shall pay to G.M.A.C. the sum of \$275.00 per month for the lease of said automobile and shall pay 80% of all maintenance during this period.

*August 1 1985*  
DATE

*[Signature]*  
WILLIAM H. BONER

*[Signature]*  
WILLIAM H. FREEMAN, TREASURER

June 10, 1985

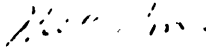
Mr. William H. Freeman,  
Treasurer  
Re-Elect Bill Boner Congressman  
P.O. Box 60685  
Nashville, TN 37206

Dear Bill:

Since January 1, 1985 the campaign has paid \$344.14 a month for lease of the 1984 Pontiac. Though the amount is under the Fair Market Value, I have decided to reduce the lease amount even more to \$275.00 per month. I will be paying the entire amount of \$344.14 in July which will more than make up for the amount over \$275.00 that the campaign paid the previous 6 months.

The difference between the \$275.00 that campaign pays each month will be paid by me personally which will account for approximately 20% of the time I use the car personally. In addition all maintenance and other expenses will be handled at the same percentage.

Sincerely,



Bill Boner

**ALBERTA  
AUTOMOTIVE GROUP**

FORM 1041  
7-64  
PC 22-50700

CONGRESSMAN BILL BONER  
552 U.S. COURTHOUSE BUILDING  
NASHVILLE, TN 37203

DEAR SIR:

AS YOU HAVE REQUESTED, I HAVE COMPUTED LEASE PAYMENTS ON THE BORNIVILLE WHICH WAS PURCHASED HERE IN 1964. IF THAT CAR HAD BEEN LEASED ON A 12 MONTH BASIS ALLOWING FOR 35,000 MILES DRIVING PER YEAR THE LEASE PAYMENT WOULD HAVE BEEN \$528.70 PLUS \$29.08 MONTHLY USE TAX FOR A TOTAL LEASE PAYMENT OF \$557.78. A 24 MONTH LEASE BASED ON THE SAME MILEAGE CRITERIA WOULD HAVE BEEN \$786.67 PLUS MONTHLY USE TAX OF \$21.27 FOR A TOTAL PAYMENT OF \$1007.94. A 36 MONTH LEASE BASED ON THE SAME MILEAGE CRITERIA WOULD HAVE BEEN \$428.04 PLUS THE MONTHLY USE TAX OF \$18.09 FOR A TOTAL PAYMENT OF \$647.03.

IF YOU HAVE QUESTIONS CONCERNING THIS COMPUTATION, PLEASE DO NOT HESITATE TO CALL ME.

SINCERELY,

*Howard Carmichael*  
HOWARD CARMICHAEL  
LEASE MANAGER  
REARMAN PONTIAC COMPANY

SEWING NASHVILLE FOR OVER 40 YEARS  
1000 W. BROADWAY NASHVILLE TENNESSEE 37203 • (615) 251-8400

03.03.66 15:47 P.03 • CG. B. BONER

TRANSMITTED FROM 615 251 7479

Lawmakers' Campaign Funds Finance Many Things, Such as Country-Club Dues and Tickets to the Derby

(Continued from Page 1) The House and Senate have approved bills that would limit the amount of money that a lawmaker can spend on campaign expenses. The bills are expected to be passed by the end of the year.

Congressmen Charge All Kinds of Things To Campaign Chests

They Justify Outlays, Calling All Their Expenses Political

By Heron Jacobs

WASHINGTON—The year's campaign chest has opened for the House and Senate.

Members of both a campaign chest in 1938. The House chest is expected to total \$1,000,000. The Senate chest is expected to total \$500,000.

Dear Operator

Dear Operator, I am writing to you regarding the recent developments in the campaign funding process. I hope this information is helpful to you.

What's Personal?

What's Personal? This is a question that often arises in the context of campaign finance. It refers to the personal expenses of lawmakers that are funded by their campaign chests.

Members of both a campaign chest in 1938. The House chest is expected to total \$1,000,000. The Senate chest is expected to total \$500,000.

Members of both a campaign chest in 1938. The House chest is expected to total \$1,000,000. The Senate chest is expected to total \$500,000.

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Members of both a campaign chest in 1938. The House chest is expected to total \$1,000,000. The Senate chest is expected to total \$500,000.

001 CREDIT UNION BANK  
 100 MAIN ST  
 NASHVILLE, TENNESSEE

37206

0108 0612079 00 000000 05 20 85 10.0000

4,091.00  
 06.79 PAY  
 TYPE  
 04,127.79 75

WILLIAM H BENER  
 P O BOX 60583  
 NASHVILLE TN 37206

DATE	TRANSACTION	DETAIL SINCE LAST BILLING PERIOD	PRINCIPAL BALANCE
DATE	TRANSACTION	DETAIL SINCE LAST BILLING PERIOD	PRINCIPAL BALANCE
04 19 85	4,091.00	4,091.00	4,091.00

*PD  
 5/30/85  
 Ch # 386*

KEEP THIS ORIGINAL AND RETURN ATTACHED COPY WITH YOUR PAYMENT

CENTRAL UNION BANK  
800 MAIN ST  
MEMPHIS, TENNESSEE

00010108 0912629 00 000000 00 0 0 10 0

37206

4,091.00  
16.09

*Complete*

MEMPHIS, TENNESSEE  
P O BOX 63185  
MEMPHIS TN 37206

4,091.00

4,091.00

4,091.00

TRANSACTION DETAIL SINCE LAST BILLING PERIOD

5-28-65

OUR RECORDS INDICATE THAT WE HAVE NOT  
YET RECEIVED THE ABOVE PAYMENT WHICH  
WAS DUE 5-20-65.

*2d-*

PLEASE FEEL FREE TO CONTACT US IF WE  
CAN BE OF ANY ASSISTANCE.

DISREGARD THIS NOTICE IF PAYMENT HAS  
BEEN MADE.

KEEP THIS ORIGINAL AND RETURN ATTACHED COPY WITH YOUR PAYMENT

Business Note CU 312 4403 X

For Bank Use Only *Christy*

Pay to the order of *William H. Loran, Jr.* *COMMERCIAL BANK OF THE CITY OF NEW YORK* *NEW YORK, N.Y.* *DATE* *MAY 19 1935* *NO* *5-21-35* *PR* *NY*

AM *4,000.00* NO *10* *00/100* *Commercial Union Bank* *19* *3* *11/100*

*Four thousand and no/100 Dollars with interest computed*

On demand *100* per cent of the face of this note *100* Dollars with interest computed

Interest *100* per cent of the face of this note *100* Dollars with interest computed

By *Christy* at the rate of *100* per cent *100* Dollars with interest computed

Check only if secured. This note is secured by the property described below and more particularly described in a DEED OF TRUST dated *19* *3* *11/100* SECURITY AGREEMENT *19* *3* *11/100*

Description *Commercial Union Bank*

NOTE TELLER

NOTE TELLER

NOTE TELLER

NOTE TELLER

NOTE TELLER

NOTE TELLER





**For Bank Use Only** Business Note CU 312 4833

Name William H. Bonser Account Number 011330 Date of Note 3-26-55 Maturity Date MD 3-19-55 PR CON LT LT  
 Amount of Note 4000.00 MD RC Office Commerce Union Bank Nashville Tennessee  
 AM 4000.00 1955 \$ 4097.00

For value received the undersigned hereby transfers to the order of the above named Bank or its duly authorized agent the above amount of money in full payment of the above promissory note as the same appears in writing on file at the office of the undersigned.

1  On demand  360 days base due and payable as follows  Other \_\_\_\_\_ Dollars with interest computed \_\_\_\_\_

2  On or before April 19 1955 91 days  Check or Draft \_\_\_\_\_  
 By discount at the rate of 10.25 % per annum  Bank of \_\_\_\_\_  
10.25 % per annum over the Bank's Lending Rate and interest rate to be adjusted whenever there is a change in said rate but not to exceed the maximum rate of interest permitted to be charged under the act in effect from time to time. Said rate is that rate set by Bank from time to time as such "Bank's" Lending Rate.

Interest 36.99  
 THIS IS THE NOTE FOR THE TRADE FOR THE (MAY/1955)

The amount hereof is a part of any part of interest or principal or other money of the undersigned to be paid by the Bank or its authorized agent to the order of the above named Bank or its duly authorized agent for the benefit of the undersigned or to be applied to the payment of any other debt or liability of the undersigned to the Bank or its authorized agent. The undersigned hereby warrants that the above named Bank or its duly authorized agent is a duly authorized agent of the undersigned for the purpose of receiving payment of the above amount of money in full payment of the above promissory note as the same appears in writing on file at the office of the undersigned. The undersigned hereby warrants that the above named Bank or its duly authorized agent is a duly authorized agent of the undersigned for the purpose of receiving payment of the above amount of money in full payment of the above promissory note as the same appears in writing on file at the office of the undersigned. The undersigned hereby warrants that the above named Bank or its duly authorized agent is a duly authorized agent of the undersigned for the purpose of receiving payment of the above amount of money in full payment of the above promissory note as the same appears in writing on file at the office of the undersigned.




LEASE AGREEMENT

This is to signify an agreement between William H. Boner and the Re-Elect Congressman Boner 1984 Committee for the lease of a General Electric Mobil Telephone (GL2021) owned by William H. Boner. The Campaign Committee will pay to William H. Boner the sum of \$200.00 per month for the lease of said Mobil Telephone and shall pay for all service repairs for the duration of this lease agreement.

DATE 4/1/84

  
WILLIAM H. BONER

  
WILLIAM H. FREEMAN  
Treasurer, Re-Elect Congressman  
Boner, 1984

**GENERAL ELECTRIC**

GENERAL ELECTRIC COMPANY  
 MOBILE COMMUNICATIONS BUSINESS DIVISION  
 LYNCHBURG VIRGINIA 24502

PLEASE PRINT CONCERNING YOUR  
 ACCOUNT BILL (400) - 520 - 7929

APR 9 1984

MC ACR 102690  
 ATLANTA GA 3.358

SHIPT CONSIGNEES NOTICE ONLY TO  
 GENERAL ELECTRIC COMPANY  
 CREDIT AND COLLECTIONS  
 P.O. BOX 478 MOUNTAIN VIEW ROAD  
 LYNCHBURG VIRGINIA 24502

PAYMENT TERMS  
 DUE APR 12, 1984  
 INVOICE NO. C445037 INVOICE DATE 4-03-84

ORDER NO. 06-06-84 GS REFERENCE NO. AU32-5468-4012

CALLER COMMUNICATIONS SVC CO INC  
 602 EASTMAN DR  
 NASHVILLE TN 37217

DATE SHIPPED 3-16-84 SHIPMENT FROM LY EN 00

ITEM NO.	DESCRIPTION	NOTE	QUANTITY	UNIT PRICE	EXTENDED AMOUNT
101	COMMUNICATIONS SVC CO INC 7-11-83 24 HRS. 27 MIN. DELAY		1	2,905.50	2,905.50
* SUB-TOTAL					2,905.50
STATE SALES TAX 4.5 %					130.70
CITY SALES TAX 2.2 %					64.02

*PD  
 5/1/84  
 Ch # 1701*

**GENERAL ELECTRIC**  
 AN EQUAL OPPORTUNITY EMPLOYER  
 TOTAL AMOUNT BILLED (CREDITED) 3,100.22

ORIGINAL INVOICE



*Communications Service Co., Inc.*

---

861 LATHAMCAN DRIVE • NASHVILLE, TENNESSEE 37217 • PHONE 615 361 8506

October 11, 1984

Honorable Congressman William H. Boner  
P. O. Box 60685  
Nashville, TN 37206

Dear Congressman Boner:

The lease price on the Mobile Telephone is \$330.96 plus tax with the option to purchase for 10% FMV.

If you have any questions please let me know.

Sincerely,



Glenn K. Clever  
President

GKC/pmb

619 3rd Avenue South

1. Purchased Price                      6/15/84                      \$80,000 00
2. Terms of Purchase
- a. First Mortgage                      \$50,000 00
- (1) W. P. Stevenson, Sr  
            4124 Franklin Road  
            Nashville, TN 37204
- (2) Terms of Mortgage
- a. \$50,000.00 at the interest rate of 11% per  
                annum amortized on a 20 year schedule with  
                a call on the note at the end of 12 years from the  
                date of the loan. (Nov. 30, 1979 - Nov. 30, 1991).
- b. Payments are to be \$567.70 per month.
- B. Second Mortgage                      \$19,300 00
- (1) Jack Shaw and Deborah Shaw  
            4311 Signal Hill Drive  
            Nashville, TN 37205
- (2) Terms of Mortgage
- a. \$19,300.00 at the interest rate of 12% per annum  
                amortized on a 10 year period (June 15, 1984 -  
                June 15, 1994)
- b. Payments are to be \$276.90 per month.

**SHIPLEY & BEHM**  
 206 Realtor's Building  
 306 Gay Street  
 Nashville, Tennessee 37201  
 (615) 254-0582

**SELLER'S SETTLEMENT SHEET**

DATE June 15, 1984  
 SELLER Jack Shaw and Deborah Shaw  
 BUYER W. H. B. Properties  
 PROPERTY 621 3rd Avenue  
 Nashville, TN

Pol No  
 ACCOUNT

	Debits	Credits
PROPERTY SOLD	\$	\$ 80,000.00
Proration of	\$	\$
Current Taxes	\$ 310.96	\$
Insurance	\$	\$
Loan Assumed 1st mortgage	\$ 50,056.82	\$
Escrow Funds with	\$	\$
Rent Adjustment	\$	\$
Earnest Money in Hands of "Seller"	\$ 5,000.00	\$
Amount Necessary to pay 1st mtg	\$	\$
Amount Necessary to pay 2nd mtg	\$ 8,000.00	\$
Vendor's Lien retained by seller	\$	\$
Release of Lien	\$	\$
Miscellaneous payments Termite letter	\$ 35.00	\$
Deed preparation	\$ 100.00	\$
Title Policy	\$ 490.50	\$
Escrow Closing Fee	\$	\$
Commission to Agent	\$ 1,100.00	\$
Total Deductions	\$ 65,093.28	\$
PROCEEDS TO SELLER (Difference between Deduction & Total Credits)	\$ 14,906.72	\$
<b>TOTALS</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>

We have examined the above statement and find it correct. This acknowledges that the above amounts have been paid as stated with our approval and for our account and benefit. Date \_\_\_\_\_, 19\_\_\_\_

Escrow Agent

Closing Attorney

**SHIPLEY & BEHM**  
 206 Realtor's Building  
 306 Gay Street  
 Nashville, Tennessee 37201  
 (615) 254-0582

**BUYER'S SETTLEMENT SHEET**

DATE June 15, 1984  
 SELLER Jack Shaw & Deborah Shaw  
 BUYER W.H.B. Properties  
 PROPERTY 621 3rd Avenue  
 Nashville, TN

Pol No  
 ACCOUNT

	Debits	Credits
PROPERTY PURCHASED	\$ 80,000.00	\$
*Earnest Money Deposited with Agent, "Seller" or GTCO	\$	\$ 5,000.00
Proration of	\$	\$
Current Taxes	\$	\$ 310.96
Rent Adjustment	\$	\$
Insurance	\$	\$
Escrow Funds With	\$	\$
Recording Deed \$ Tax \$	\$ 214.50	\$
Recording Mtg. \$ Tax \$	\$ 23.80	\$
Miscellaneous Charges	\$	\$
Mortgage assumed or given	\$	\$ 50,056.82
Vendor's Lien retained by Seller 2nd mortgage	\$	\$ 19,300.00
*CASH TO BE PAID BY BUYER	\$	\$ 5,570.52
<b>TOTALS</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>

We have examined the above statement and find it correct. This acknowledges that the above amounts have been paid as stated with our approval and for our account and benefit. Date \_\_\_\_\_, 19\_\_\_\_

Escrow Agent

Closing Attorney



LEASE AGREEMENT

This is to signify an agreement between W.H.B. Properties and the Re-Elect Congressman Boner Committee for the lease of 2,016.29 square feet of property located at 619 3rd Ave. So. All utilities to be paid monthly by the campaign. The Campaign committee will pay to W.H.B. Properties the sum of \$1,134.16 per month for the lease of said property.

July 1, 1984

  
WILLIAM H. BONER

  
WILLIAM H. FREEMAN, Treasurer  
Re-Elect Congressman Boner, 1984



...Lessor shall have ten (10) days after receipt of Lessor's statement of Operating Expenses to object to the calculation... Thereafter, Lessee shall have no right to challenge the amount Lessee shall pay no matter what the amount is to be paid.

...In no event shall a decrease in annual Operating Expenses cause any decrease in the Base Rent provided above.

...Upon the date that this Lease expires or is terminated, the entire additional rent for the period of the year and for each year during which the Lease term expires shall immediately be due and payable by Lessee to Lessor... Lessor shall compute the additional rent due from Lessee, having Lessor's computation through the next fiscal year prepared by Lessor and furnished to Lessee under Subsection 6B, above.

7. RENT. Lessee shall, without deduction, abatement or setoff of any nature whatsoever, pay to Lessor the Base Rent provided above and any sums due under this Lease promptly and without deduction, abatement or setoff, as a condition to the receipt of any possession of the Premises... Receipt of any payment by Lessor from Lessee after Lessor has learned of any breach of this Lease, terminated this Lease, or obtained final judgment for possession of the Leased Premises, shall constitute a waiver of any of Lessor's rights under this Lease.

8. DELIVERY OF POSSESSION. In the event this Lease includes the construction of space for the use by Lessor, the commencement date shall be the date upon which the improvements constituting the premises have been substantially completed in accordance with the plans and specifications therefore to be developed by Lessor and approved by both parties... Lessor shall notify Lessee of such completion not less than five (5) days prior to the commencement date.

...If Lessor for any reason whatsoever cannot deliver possession of the Leased Premises to Lessee at the commencement date of the Term as above specified, this Lease shall not be void or voidable, nor shall Lessor be liable to Lessee for any loss or damage... However, if for any reason possession of the Leased Premises is not delivered to Lessee within one hundred (100) days of the beginning of the Term as specified in Paragraph 3 hereof, this Lease shall be voidable by either party giving written notice to the other.

9. USE, TERMINATION AND SURRENDER. Lessee shall use and occupy the Leased Premises as general office space and for no other purpose... Lessee shall not violate any ordinance, law, recorded restrictions, government regulations, or the "Rules and Regulations" attached hereto as Exhibit D, and cause a perturbation by reference Lessee will be responsible for the maintenance and care of the Leased Premises and the fixtures and furnishings therein... Lessee shall be responsible for any waste or injury to the Leased Premises, the Building or the Land upon which the Building is located, caused by the use or neglect thereof by Lessee.

...Not later than the last day of the Term, Lessee will be deemed to have abandoned all of Lessee's personal property which does not constitute an addition or improvement made to the Leased Premises and will have repaired all injury done or in connection with removal of said personal property and surrender the Leased Premises together with all keys to the Leased Premises as given to Lessee at the beginning of the Term... Lessee shall be deemed conclusively abandoned and may be removed by Lessor.

10. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS. Lessee will not make any alterations, additions or improvements to the Leased Premises without the prior written consent of Lessor... Lessee shall not do anything to or on the Leased Premises which will increase the risk of fire or other damage to the Building or the Leased Premises or which requires such insurance to be sold or reworded if Lessee's acts, omissions or operations on the Leased Premises increase the rate of fire or other insurance on the Leased Premises to increase.

...In making any improvements or additions to the Leased Premises Lessee shall use only contractors approved by Lessor... Lessee shall be responsible for the cost of removing the same, subject, however, to Lessor's right to require Lessee to remove improvements or additions made to the Leased Premises by Lessee pursuant to the foregoing subparagraph. Without limiting the generality of the foregoing, it is specifically understood that damage to floor covering caused by lack of protective mats under chairs or lack of mats on chairs shall not be considered "reasonable wear" under the terms of this subparagraph.

11. SURRENDER. This Lease shall be surrendered to Lessor at the expiration of the Term... Lessee shall be deemed to have abandoned and may be removed by Lessor... Lessee shall be deemed conclusively abandoned and may be removed by Lessor.



22. CONSTRUCTION. If the building or any part of the building is damaged or destroyed by fire, lightning, explosion, or other cause, the building shall be repaired or reconstructed by the Lessor within a reasonable time after the date of such damage or destruction. The Lessor shall have the option to terminate this Lease if the building is not repaired or reconstructed within a reasonable time after the date of such damage or destruction. In any event, the Lessor shall be awarded or paid, upon a final judgment or a sale of the building, the amount of the property of Lessor without any participation by Lessee. It is provided however that Lessee shall not be liable for any claim directly against the governing authority in any condemnation or proceeding for the taking of property or damage to Lessee's property, or cost of removal of Lessee's property, provided, however, that such action shall not be taken or otherwise adversely affect Lessee's award or purchase price.

23. GOVERNMENTAL INTERFERENCE. Lessee shall have no liability to Lessor for any damage or destruction of the building or any part of the building as a result of enforcement of any statute, regulation, or order of any governmental authority. Lessee shall pay Lessor the cost of any expenses incurred as a result of any judicial or governmental action arising out of Lessee's use of the Leased Premises.

24. DAMAGE OR DESTRUCTION. If the Building or the Leased Premises are totally destroyed or damaged by fire, lightning, explosion, or other cause, the building shall be repaired or reconstructed by the Lessor within a reasonable time after the date of such damage or destruction. The Lessor shall have the option to terminate this Lease by giving notice to Lessee. If the building is not repaired or reconstructed within a reasonable time after the date of such damage or destruction, the Lessor shall be awarded or paid, upon a final judgment or a sale of the building, the amount of the property of Lessor without any participation by Lessee. It is provided however that Lessee shall not be liable for any claim directly against the governing authority in any condemnation or proceeding for the taking of property or damage to Lessee's property, or cost of removal of Lessee's property, provided, however, that such action shall not be taken or otherwise adversely affect Lessee's award or purchase price.

25. CASUALTY INSURANCE. Lessee shall maintain at its expense fire and extended coverage insurance for the building and property, including removable trade fixtures, located in the Leased Premises, and on additions and improvements made by Lessee to the Leased Premises. Lessee shall furnish Lessor with satisfactory evidence that Lessee has obtained the required insurance coverage.

26. LIABILITY INSURANCE. Lessee shall obtain and keep in force during the term of this Lease a policy or policies of comprehensive general liability insurance with premiums thereon fully paid on or before the date of the inception of the policy or policies against liability arising out of the ownership, use, occupancy, or maintenance of the Leased Premises. The policy or policies shall be issued by an insurance company satisfactory to Lessor and shall have a minimum limit of not less than Three Hundred Thousand and No/100 Dollars (\$300,000) in respect of any one occurrence or all occurrences combined occurrence, and of not less than One Hundred Thousand Dollars (\$100,000) for property damage arising out of any one occurrence. The policy or policies shall have a landlord's protective liability endorsement attached. Lessee shall provide satisfactory evidence that Lessee has obtained the required liability insurance. Lessee will increase the protection afforded by the policy or policies at Lessor's reasonable request.

27. INDEMNITY. Lessee agrees to hold Lessor and all parties holding by, through, or under Lessor harmless from and against all claims, damages, losses, or liabilities of any nature whatsoever sustained by Lessor or any party holding by, through, or under Lessor as a result of such default or failure:

- a. Against any default under this Lease by Lessee, or any party holding by, through, or under Lessee for any cause whatsoever, claims, or liabilities of any nature whatsoever sustained by Lessor or any party holding by, through, or under Lessor as a result of such default or failure;
- b. Against any and all claims, damages, losses and liabilities, of any nature whatsoever, and of any cause or origin whatsoever, in any manner to the negligence of Lessee, its agents, contractors, employees, or licensees, or to the use and occupancy of the Leased Premises or Building by Lessee, its agents, contractors, employees, licensees or invitees;
- c. Against any and all damage or injury to the Leased Premises, to Lessee's own property, to Lessee, its agents, contractors, employees, invitees, or licensees arising from any use or condition of the Leased Premises, and from any act or failure to act by Lessee with respect thereto;
- d. Against any and all damages to Lessee of any nature whatsoever, resulting from or caused by the condition of the Leased Premises, the Building, or the cessation of operations or malfunction of any equipment or apparatus serving the Leased Premises or Building;
- e. Against any and all losses or damages to any property or person occasioned by fire, act of nature, public enemy, riot, or riot, strike, insurrection, war, court order, requisition, order of governmental body of authority, or other matter, and the reasonable control of Lessor;
- f. The exceptions to Lessee's full assumption of and liability for any and all claims of any nature whatsoever of cause or origin relating to the Leased Premises, the Building, the land on which the Building is located, or the use and occupancy of the Leased Premises, shall be only those claims resulting from proven affirmative acts of negligence committed by Lessor, its agents, contractors, or employees.

28. WAIVER OF SUBROGATION. Lessee and Lessor each waive all and all rights for recovery against the other or either of the officers, employees, agents, and representatives of the other, for any damage, loss or property, or for any loss or damage insured against any insurance policy in force at the time of such loss or damage. Lessee shall give notice to Lessor immediately after the occurrence of such loss or damage. Lessee shall not be required to bear the costs of obtaining from Lessor's insurer a waiver of any rights of recovery by way of subrogation against Lessee. Notwithstanding this section, the waiver of subrogation provided herein shall not be effective if its inclusion would cancel any insurance policy maintained by the other party.

29. LESSOR LIABILITY. Lessor shall have no liability or obligation to Lessee with respect to this Lease except, to the extent of Lessor's right, title, and interest in and to the Building and the land upon which the Building is located.

30. REPAIRS. Lessor shall not be required to make any repairs or improvements to the Leased Premises, except for structural repairs necessary to safety and tenability, unless otherwise agreed in writing. Lessee shall at once report in writing to Lessor any defective condition in the Leased Premises known to Lessee, and which condition is required in Lessee's opinion to be repaired or replaced. If Lessee fails to report any known defective condition, Lessee shall become responsible for any damage or loss resulting from such defective condition.

31. QUIET ENJOYMENT. Lessor agrees that Lessee shall peacefully have, hold, and enjoy the Leased Premises, subject to the terms of this Lease. Lessor and all other co-tenants of Lessor shall defend and hold Lessee harmless from and against all claims with respect to liabilities occurring during Lessor's or its successor's respective ownerships of the Leased Premises hereunder.

32. BROKER'S COMMISSION. The parties hereto represent and warrant to each other that there are no claims for brokerage commission or broker's fees in connection with the execution of this Lease, except as stated below, and that each of the parties agrees to defend the other against, and hold it harmless from, all liabilities arising from any such claim by a person or persons claiming to be the following attorney's fees, except as follows:

33. TIME OF ESSENCE. Time is of the essence of this Lease.

34. NOTICE. Any notice by either party to the other shall be in writing and shall be deemed to have been given to the other party if it is delivered or sent by registered or certified mail, return receipt requested, addressed to Lessee at the following address:

Lessee's address: \_\_\_\_\_

**43. ENFORCEMENT.** This Lease shall not be subject to the provisions of any law or ordinance relating to the enforcement of such lease or tenancy.

**44. ASSIGNMENT.** This Lease may not be assigned, charged, or otherwise encumbered except by agreement in writing of both parties to this Lease. No contract of assignment by Lessor shall be binding on Lessor or on any party to this Lease, or a waiver of any provisions hereof, unless it is in writing and executed by Lessor.

**45. HOLDING OVER.** If Lessee holds over or otherwise fails to comply with the Leased Premises after expiration or termination of this Lease without the written consent of Lessor, Lessee shall be deemed to have agreed to the Lease Period and additional term hereunder for the entire hold over period. If, however, Lessee, after the term of this Lease, shall not be in breach of the term of the Lease or create any periodic tenancy in the event of an unexpired hold over, Lessee shall remain liable against all claims for damages or any party to this Lease for any unexpired portion of the Leased Term.

**46. RIGHTS AND REMEDIES.** Lessor's rights and remedies under this Lease are in addition to any rights and remedies available to Lessor by any statute, agreement, or otherwise.

**47. BINDING EFFECT, PRONOUNS.** This Lease shall be binding upon and inure to the benefit of Lessee, its successors, assigns, and shall be binding upon and inure to the benefit of Lessor, its successors, and to the extent so provided herein by Lessor hereunder Lessee's assigns. The pronouns of any gender shall include the other gender and either the singular or the plural shall include the other, wherever appropriate.

**48. CONDITIONS.** All covenants and agreements on behalf of Lessee are specifically agreed to be conditions and are to be enforceable as such if Lessor so elects.

**49. TENNESSEE CONTRACT.** This Lease is declared to be a Tennessee contract, and all of the terms hereof shall be construed according to the laws of the State of Tennessee.

**50. MARGINAL HEADINGS.** The marginal headings in this Lease are for convenience only and shall have no controlling effect upon the construction or interpretation of any part of this Lease.

**51. AUTHORIZATION.** Each individual executing this Lease on behalf of the Lessee represents and warrants that he has been duly authorized by Lessee to do so. Lessee agrees to provide Lessor with all documentation required by Lessor in order to verify that Lessee is a duly organized entity, with the authority to enter into this Agreement, and to file all reports to meet obligations hereunder.

**52. SECURITY DEPOSIT.** Lessee has deposited with Lessor the sum of N/A Dollars (\$ \_\_\_\_\_) as security for performance by Lessee of all of the terms, covenants, and conditions of this Lease by Lessee's part to be performed. The security deposit shall be returned to Lessee after the expiration of the term of this Lease, provided that Lessee has fully performed hereunder. Lessor shall have the right to apply all or a portion of the security deposit to cover any amount due by Lessee. If Lessor applies the security deposit, or a portion of it, to any default by Lessee, then Lessee shall deposit with Lessor the amount so applied, with the effect that Lessor shall have the full deposit on hand at all times during the term of this Lease. If the Building Lessor shall thereupon be released from any liability for the return of such security deposit to Lessee. The security deposit shall not bear interest during the term of this Lease and shall not be charged or encumbered by Lessor for any party other than Lessee. Any attempted assignment or encumbrance of the security deposit shall be void.

**53. FOOD AND DRINK MACHINES.** Lessee shall maintain no food or drink coin operated or vending machines within the Leased Premises or the Building without the written consent of Lessor.

**54. SPECIAL STIPULATIONS.**

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

LESSEE

LESSOR

*[Signature]*

## FREEMAN WEBB CO., REALTORS

2200 H. G. Road  
Nashville, Tenn. 37212  
Telephone 515-363-8045

---

JUL 20 1984

July 20, 1984

Mrs. Doris Bland  
P. O. Box 60685  
Nashville, TN. 37206

RE: 617 Third Avenue South

Dear Doris:

In accordance with your request, we have studied the building located at 617 Third Avenue South and recommend that you charge a rental rate of from \$10 to \$12 per square foot on an annualized basis.

If we may be of help to you in the leasing of this property, please give us a call.

Sincerely,

  
James A. Webb, III

JAW:pnw

The Cole Company  
P.O. Box 466  
Goodlettsville, Tennessee 37072

Mrs. Doris Bland  
P.O. Box 60c85  
Nashville, Tennessee 37206

RE: RENTAL RATES  
617 Third Avenue South

Dear Mrs. Bland:

Enclosed is in reference to the rent structure of office space on Third Avenue in downtown Nashville.

It is my opinion that the current market rents are approximately \$12.00 per square foot for comparable space to the above referenced building.

If you have any questions or need additional information, please let me know.

With regards,

  
Gaylor E. Cole

se



Equity Capital Management, Inc.

621 S. 3rd Avenue, South  
Nashville, Tennessee 37210  
(615) 255-7356

July 17, 1984

Mr. Butch Eley  
P. O. Box 60685  
Nashville, TN 37206

Re: Rental Property  
617 3rd. Ave. So.

Dear Butch:

I reviewed your property on 3rd. Avenue South and the rental market in the area. I would estimate the fair market rental to be between \$11.25 and \$14.00 per sq. ft. per year.

This is based on space we control in the area; some of which is warehouse at \$5.00 to \$6.00/sq. ft., some of which is luxury office with top lease cost of \$16.32/sq. ft.

If you should have more questions, please don't hesitate to call.

Sincerely,



Charles A. Ritzel

CAR/dl

R G Securities, Inc  
Equity Capital Corporation  
Hering-Adkins Company, Ltd.  
Equity Capital Management Corporation

TRANSMITTED FROM 615 251 7479

03 06 36 14:03 P.01 CG B BONER

To: Brandon Lowell

pg 1 of 2

Profit or (Loss) From Business or Profession

(Sole Proprietorship)

Partnerships, Joint Ventures, etc. Must File Form 1065

Attach to Form 1040 or Form 1041 See instructions for Schedule C (Form 1040)

OMB No. 1545-0047

1981

08

SCHEDULE C (FORM 1040)

Department of the Treasury

Internal Revenue Service

Name of proprietor

BRANDON L. LOWELL

Business number (if any)

4411 72 301

A Main business activity (see instructions) LITTLE PRODUCTIONS product MATTI HALL HILLS
B Business name Little Producers
C Employer's identification number
D Business address, number and street City, State and ZIP code
E Accounting method (1) X Cash (2) Accrual (3) Other (specify)

F Method(s) used to value closing inventory (1) Cost (2) Lower of cost or market (3) Other (if other, state explanation)
G Was there any major change in determining quantities, costs, or valuations between opening and closing inventory? If Yes, attach explanation
H Do you deduct expenses for an office in your home?

Part I Income

Table with 6 columns (1a-1f) and 6 rows. 1a Gross receipts or sales, 1b Returns and allowances, 1c Basis, 2 Cost of goods sold, 3 Gross profit, 4 Windfall Profit Tax Credit, 5 Other income, 6 Total income.

Part II Deductions

Table with 20 columns (1-20) and 20 rows. 1 Advertising, 2 Amortization, 3 Bad debt, 4 Bank service charges, 5 Car and truck expenses, 6 Commissions, 7 Depreciation, 8 Dues and publications, 9 Employee benefit programs, 10 Freight, 11 Insurance, 12 Interest on business indebtedness, 13 Laundry and cleaning, 14 Legal and professional services, 15 Office supplies and postage, 16 Rental and profit-sharing plans, 17 Rent on business property, 18 Repairs, 19 Supplies, 20 Taxes, 21 Travel and entertainment, 22 Utilities, 23 Total deductions, 24 Net profit or loss.

For Paperwork Reduction Act Notice, see Form 1040 Instructions.



K. Gordon Lowell Pa 2 9 3

DEPRECIATION SCHEDULE - SCHEDULE C, C-1 SCHEDULE

COST RECOVERY METHOD, LINE 1, PAGE 1, FORM 4562

	YEAR ACQ.	DEPRECIABLE BASIS	PRIOR DEPRECIATION	DEPRECIATION THIS YEAR
TOTAL 5YR. PROPERTY	1961			
TOTAL 5YR. PROPERTY	1961	23656.		3599.
TOTAL 10YR. PROPERTY	1961			
TOTAL 15 YR. PUBLIC UTILITY PROPERTY	1961			
TOTAL 15 YR. REAL PROPERTY-EXC. IMPL. HOUS.	1961			
TOTAL 15 YR. OTHER REAL PROPERTY	1961			
TOTAL LINE 1, PG. 1, FORM 4562		23656.		3599.

SCHEDULE A SCHEDULE OF NON-CASH CONTRIBUTIONS SCHEDULE

1ST NASHVILLE CH-UP INSURANCE	309.		
TOTAL TO SCHEDULE A, LINE 22	309.		

SCHEDULE A INTEREST EXPENSE SCHEDULE

0TH ST. LOT	92.	WILLIAM T. FISHER	595.
1ST AMERICAN NATIONAL BANK	399.	WILLIAMSON CO. BANK	1046.
NASHVILLE CITY BANK	565.	NASHVILLE CITY BANK	427.
COMMENCE UNION BANK	2717.	FIRST AMERICAN NATL BANK -	
STATE LIFE OF IND.	84.	AUTOS	67.
NATIONAL LIFE OF VERMONT	191.		
TOTAL TO SCHEDULE A, LINE 19	7013.		

**Business Machines Corporation**

TO  
A 0230  
RELAND JH

4-101

Invoice number  
HL3157A-00

INVOICE DATE  
12/31/61

IBM account number  
1098 J06

DATE OF ORDER  
BY  
12/31/61

DATE OF ORDER  
JAN 1

INVOICE TO  
GILL LUNEN  
714 RUSSELL ST  
NASHVILLE TN 37203



Office Products Division

Remittance Copy

DATE OF ORDER  
JUN 25/61

TERMS OF SALE OR RESPONSE CARD # 1150  
CASH VANTAGE 447  
NASHVILLE TN 37203

TERMS  
PAYABLE UPON RECEIPT OR  
ACCORDING TO CONTRACT

If name and/or address is other than shown  
please contact on remittance copy

FORM (015) 717-4100 EXT 0440

QTY	DESCRIPTION	UNIT PRICE	AMOUNT
1	1 4 05 02430 INFORMATION PROCESSOR	7000.00	7000.00
1	7042	7000.00	7000.00
1	7050	7000.00	7000.00
1	7059	7000.00	7000.00
1	3041 DOCUMENT PRINTER	15000.00	15000.00
1	7014	7000.00	7000.00
1	7018	7000.00	7000.00
1	PROCESSING FEATURE	7000.00	7000.00
	STATE TAX		1000.00
	LOCAL TAX		700.00
	DESTINATION CHARGE		200.00
	EFFECTIVE DATE 12/31/61		

Please refer to invoice number  
or return copy when remitting

PAY THIS AMOUNT

Thank you ▶

FORM 002 3 001 70

See conditions of sale on reverse side



First American National Bank  
Nashville Tennessee 37237

Account No \_\_\_\_\_  
Note Number \_\_\_\_\_  
Date Received \_\_\_\_\_  
Date Released \_\_\_\_\_  
Full Release \_\_\_\_\_  
Partial Release \_\_\_\_\_  
Description of Partial Release \_\_\_\_\_

Customer Name \_\_\_\_\_  
Address \_\_\_\_\_

Collateral Description \_\_\_\_\_

Comments \_\_\_\_\_

Collateral Value

Item No 1 \_\_\_\_\_  
2 \_\_\_\_\_  
3 \_\_\_\_\_  
4 \_\_\_\_\_

Released by \_\_\_\_\_  
Officer Authority \_\_\_\_\_  
Released to \_\_\_\_\_

Received by \_\_\_\_\_

Customer Signature \_\_\_\_\_

Form 2015

Customer

*[Handwritten Signature]*

LETTERS UNLIMITED  
2118 - 24TH AVE. NORTH  
NASHVILLE, TENN. 37208

No 116

53

2/1 1982

\$700.00

Pay to the  
order of

*Fritz Ammons Trust*

*Money Received from Andrew Williams and The*

LETTERS UNLIMITED  
11-91

Commerce Broadway Office  
Union Bank Nashville, Tennessee



For *5.00* 5.00 *NOTE*

*William J. Thomas*

857 288 74

#000116 # 1:064000020:

#0000750000/

*Steven Winkler*

LETTERS UNLIMITED  
519 - 54TH AVE. NORTH  
NASHVILLE, TENN. 37208

No. 121

Dec. 28 19 82

483

Pay to the order of First American National Bank

One thousand one hundred eighty three and 49/100 Dollars

\$1,183.49

LETTERS UNLIMITED  
11-91

Conservator  
United Bank

Inventory Office  
Federal Reserve Bank  
Branch Quincy, MS

For Note # 655373 - Dated 8/24/81

#000121# @054000020# 857 288 7#

**First American**  
First American National Bank  
Nashville, Tennessee 37237

**Note Notice**  
Loans and Discounts

Principal	\$	
Interest	\$	1,183.49
Total Due	\$	1,183.49

Due Date DEC. 30, 19 82

through

Congressman Bill Boner

Acct. 8701917, Note No. 6505873

Please enclose this notice with your remittance. Form 7022



**LETTERS UNLIMITED**  
2118 - 24TH AVE NORTH  
NASHVILLE, TENN 37208

No 123

March 7, 19 83 <sup>872</sup>/<sub>640</sub>

Pay to the order of First American National Bank \$ 2,446.94

Two thousand four hundred forty six and 94/100----- Dollars

**Commerce Union Bank** Broadway Office  
Nashville, Tennessee  
Acct. # 8701917-Note # 6505873  
\$2,000.00 Prin. \$446.94 Interest

LETTERS UNLIMITED 11-81

*William H. Bone*

⑆000123⑆ ⑆064000020⑆ 857 288 7⑆ ⑆0000244694⑆

**LETTERS UNLIMITED**  
2118 - 24TH AVE NORTH  
NASHVILLE, TENN 37208

No 125

June 7 1983 <sup>872</sup>/<sub>640</sub>

Pay to the order of First American National Bank \$ 3,000.00

Three thousand and no/100----- Dollars

**Commerce Union Bank** Broadway Office  
Nashville, Tennessee  
Note # 6505873

LETTERS UNLIMITED 11-81

*William H. Bone*

⑆000125⑆ ⑆064000020⑆ 857 288 7⑆ ⑆0000300000⑆

**LETTERS UNLIMITED**  
2118 - 24TH AVE NORTH  
NASHVILLE, TENN. 37208

No 146

11-7 19 84 <sup>872</sup>/<sub>640</sub>

Pay to the order of First American National Bank \$9,127.85

Nine thousand one hundred twenty seven and <sup>85</sup>/<sub>100</sub> ----- Dollars

**Commerce Union Bank** Broadway Office  
Nashville, Tennessee  
8701917  
For Rec # 6505873 - Payment in full

LETTERS UNLIMITED 11-81

*William H. Bone*

⑆000146⑆ ⑆064000020⑆ 857 288 7⑆ ⑆0000912785⑆

**U.S. House of Representatives**  
**COMMITTEE ON STANDARDS OF**  
**OFFICIAL CONDUCT**  
 Washington, D.C. 20515

June 2, 1982

JUN 11 1982

Honorable Bill Boner  
 United States House of Representatives  
 118 Cannon House Office Building  
 Washington, D.C. 20515

Dear Colleague

This will respond to your letter of May 24, 1982, requesting the advice of this Committee with respect to the application of House Rules to your leasing an IBM OS/6 Word Processing Machine personally owned by you to your campaign committee.

You ask specifically if you may lease the above-noted office machine to your campaign committee in an "arms-length" transaction at a fair market value or below, based on the written confirmation from IBM officials in the district of prevailing market rates for such equipment leases.

House Rule XLIII, clause 6 provides that a Member "shall expend no funds from his campaign account not attributable to bona fide campaign purposes" and shall "convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures." It is the opinion of this Committee that the income received by a Member from the lease of office equipment to his campaign committee would not constitute a conversion of campaign funds to personal use prohibited by House Rules if the transaction is an "arms-length" arrangement conforming to standard commercial practices in the lease of such equipment and at a rate that does not exceed the fair market value of the lease of similar equipment in the area.

The Committee is of the further opinion that any such business transaction between a Member and his campaign committee should be undertaken with extraordinary care and caution because of the appearance that could arise that the arrangement is a prohibited conversion of campaign funds. Such caution should, among other things, result in the equipment's physical location with the campaign

Honorable Bill Boner  
June 2, 1982  
Page 2

committee and a rental amount that reflects the level of actual use of the equipment by the campaign committee.

All rental income you received in 1982 from the committee must be reported by source and category of value in Section I-B of the 1982 financial disclosure form which will be due May 15, 1983. If you have additional question, please contact the Committee staff.

Sincerely,



Louis Stokes  
Chairman



Floyd D. Spence  
Ranking Minority Member

International Business Machines Corporation

Post Office Box 299  
Nashville, Tennessee 37202  
615/747-4200

May 17, 1982

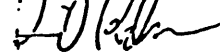
Office of Congressman Bill Borer  
Federal Building  
U. S. Courthouse  
Nashville, Tennessee 37203

Dear Sir:

Per your request, I have provided the enclosed information on IBM's Office System 6/450 Information Processor. As you can see, I have included the 36-month lease, 24-month lease, monthly rental, and purchase price of this equipment, along with pricing information for optional features.

If you have any questions regarding this information, or if I can be of further assistance to you in any way, please feel free to contact me.

Sincerely,



David W. Dodson  
Office Systems Specialist  
National Marketing Division

DWD:3tm

Enclosure

## PRICE QUOTE

EQUIPMENT	MONTHLY RENTAL	24-MONTH LEASE/MO.	36-MONTH LEASE/MO.	PURCHASE PRICE
<i>USE</i> <i>WO</i> IBM Office System 6/450 Information Processor	\$974 00	1857 00	2018 00	\$21,670 00
Optional Processing Feature	\$ 32 00	\$ 28 00	\$ 27 00	\$ 750 00
<input checked="" type="checkbox"/> Communicating Feature Adapter 3700	\$ 96 00	\$ 84 00	\$ 81 00	\$ 2,430 00
<input checked="" type="checkbox"/> EIA Interface Attachment 3701	\$ 13 90	\$ 12 30	\$ 11 80	\$ 250 00
<input checked="" type="checkbox"/> Internal Modem, Non-Switched Line with Switched Network Backup, 5508	\$ 31 00	\$ 27 30	\$ 26 00	\$ 1,015 00

Prices contained herein will remain firm for a period of thirty days from the date of this quotation and are subject to state and local taxes.

The terms and conditions of the current Lease, Rental, and Purchase Agreements apply to the above prices.

Under the terms and conditions of the Rental Agreement, this equipment may be discontinued after 180 days of installation by either party by giving the other party thirty days prior written notice. If not discontinued at the end of 180 days, the equipment may then be discontinued at any time thereafter upon thirty days prior written notice.

Under the terms and conditions of the Lease Agreement, the equipment will be initially installed for a contract period of 24 months or 36 months, whichever is applicable. The equipment may be discontinued within this period provided thirty days written notice is received by IBM and termination charges are paid as set forth in the contract.

*This includes service contract.*

LEASE AGREEMENT

This is to signify an agreement between William H. Boner and the Re-Elect Congressman Boner 1982 Committee for the lease of an IBM Office System Six Word Processor, Serial No. 6651-50-0100081 and an optional processing feature owned by Letters Unlimited. The Campaign Committee will pay to Letters Unlimited the sum of \$950.00 per month for the lease of said System Six and <sup>Letters Unlimited</sup> shall pay for all service repairs for the duration of this lease agreement.

10/1/82  
DATE

William H. Boner  
WILLIAM H. BONER

Doris Blank  
TREASURER  
Re-Elect Congressman Boner

International Business Machines Corporation

November 14, 1964

11-1-64 202

Ms. Betty ...  
Federal ...  
Office of ...  
U. S. Federal Courthouse  
Nashville, Tennessee 37203

Dear Betty:

The following is the information you requested on the IBM Office System 6/450. Priced on current price schedule, the cost of renting this machine from IBM is \$1,100.00 per month. As I understand, you need this information for budgetary purposes only.

If I can be of further assistance, please feel free to contact me.

Sincerely,

*N. A. Hook*

N. A. Hook  
Advisory Marketing Representative  
National Marketing Division

MMH-G3Q 5194 13

Truiche Ross & Co.

May 15, 1985

Congressman William H. Boner  
552 Federal Courthouse  
Nashville, Tennessee 37201

Dear Mr. Boner:

We are replying to your inquiry regarding the benefits, if any, that you may have received from Letters Unlimited during the calendar year 1984.

We have reviewed our files for the receipts and cash disbursements records of Letters Unlimited. Our files indicate that you did not receive any distributions in the form of salary or dividends during the calendar year 1984.

You are in an unfavorable tax position as the sole proprietor of Letters Unlimited because you must report \$1,545.00 of income on your 1984 tax return. This is compounded by the fact you did not report any distributions to the pay the resulting additional tax from this income.

The cash in the account of Letters Unlimited was deposited through the repayment of bank loans. As you know, the interest on bank loans are a non-deductible expense in computing the taxable income. Therefore, you have income from Letters Unlimited through the additional tax on the interest.

Please call us if you have any questions or wish to explain any aspects regarding this situation.

Very truly yours,  
*William H. Boner*  
William H. Boner

ls



) 0 3 1 0 - 0 1 0 3 :

FILED  
SECRETARY OF STATE

1982 AUG 18 PM 3 32

CHARTER  
OF  
TARGETED COMMUNICATIONS, INC.

BOOK 5929 PAGE 985

The undersigned natural person, having capacity to contract and acting as the incorporator of a corporation under the Tennessee General Corporation Act, adopts the following charter of such corporation.

1. The name of the corporation is TARGETED COMMUNICATIONS, INC.
2. The duration of the corporation is perpetual.
3. The address of the principal office of the corporation for the State of Tennessee shall be P.O. Box 527, Goodlettsville, Davidson County, Tennessee.
4. The corporation is for profit.
5. The principal purpose for which the corporation is organized is to engage in mass communications, duplicating and advertising. In addition, this corporation may engage in any and all lawful businesses other than the ones to which specific statutory business provisions apply beyond the scope of the Tennessee General Corporation Act.
6. The maximum number of shares which the corporation shall have the authority to issue is One Thousand (1,000) shares each of which shall be no par value, common stock.
7. The corporation will not commence business until consideration of an amount not less than \$1,000.00 has been received for the issuance of shares.

This 17th day of August, 1982.

*Joe Mann Haynes*  
\_\_\_\_\_  
JOE MANN HAYNES, Incorporator

BY-LAWS  
OF  
TARGETED COMMUNICATIONS, INC.

ARTICLE I  
MEETINGS OF SHAREHOLDERS

1. Annual Meeting. The annual meeting of the shareholders shall be held on September 1st of each year, either within or without this State, as may be designated from time to time by the Directors.

2. Special Meetings. Special meetings of the shareholders may be called by the President, a majority of the Board of Directors, or by the holders of not less than one-tenth (1/10) of all the shares entitled to vote at such meeting. The place of said meetings shall be the principal office of the Corporation, unless otherwise designated by the Directors.

3. Notice of Shareholder Meetings. Written or printed notice stating the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called and the person or persons calling the meeting, shall be delivered either personally or by mail or at the direction of the President, Secretary, Officer or person calling the meeting to each shareholder entitled to vote at the meeting. If mailed, such notice shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, and

shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid. If delivered personally, such notice shall be delivered not less than five (5) nor more than sixty (60) days before the date of the meeting, and shall be deemed delivered when actually received by the shareholder. The person giving such notice shall certify that the notice required by this paragraph has been given.

4. Quorum Requirements. A majority of the shares entitled to vote shall constitute a quorum for the transaction of business. A meeting may be adjourned despite the absence of a quorum, and notice of an adjourned meeting need not be given if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. When a quorum is present at any meeting, a majority in interest of the stock there represented shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the charter, these by-laws, or by the laws of Tennessee, a larger or different vote is required, in which case such express provision shall govern the decision of such question.

5. Voting and Proxies. Every shareholder entitled to vote at a meeting may do so either in person or by written proxy, which proxy shall be filed with the Secretary of the meeting before being voted. Such proxy shall entitle the holders thereof

to vote at any adjournment of such meeting, but shall not be valid after the expiration of eleven (11) months from the date of its execution unless otherwise provided in the proxy.

## ARTICLE II

### BOARD OF DIRECTORS

1. Qualification and Election. Directors need not be shareholders or residents of this State, but must be of legal age. They shall be elected by a plurality of the votes cast at the annual meetings of the shareholders. Each Director shall hold office until the expiration of the term for which he/she is elected, and thereafter until his/her successor has been elected and qualified.

2. Number. The number of directors shall be fixed from time to time by the shareholders, or by a majority of the entire Board of Directors, but shall never be less than the number required by law.

3. Meetings. The annual meeting of the Board of Directors shall be held immediately after the adjournment of the annual meeting of the shareholders, at which time the officers of the Corporation shall be elected. The Board may also designate more frequent intervals for regular meetings. Special meetings may be called at any time by the Chairman of the Board, President or any two (2) Directors.

4. Notice of Directors' Meetings. The annual and all regular Board meetings may be held without notice. Special

meetings shall be held upon notice sent by any usual means of communication not less than three (3) days before the meeting.

5. Quorum and Vote. The presence of a majority of the Directors shall constitute a quorum for the transaction of business. A meeting may be adjourned despite the absence of a quorum, and notice of an adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, and if the period of adjournment does not exceed thirty (30) days in any one adjournment. The vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the vote of a greater number is required by the Charter, these By-Laws, or by the laws of Tennessee.

6. Executive and Other Committees. The Board of Directors, by a resolution adopted by a majority of its members, may designate an executive committee, consisting of two or more persons, who may or may not be directors, and may delegate to such committee or committees any and all such authority as it deems desirable, including the right to delegate to an executive committee the power to exercise all the authority of the Board of Directors in the management of the affairs and property of the Corporation.

### ARTICLE III

#### OFFICERS

1. Number. The Corporation shall have a president and a secretary, and such other officers as the Board of Directors shall

from time to time deem necessary. Any two or more offices may be held by the same person, except the offices of president and secretary.

2. Election and Term. The officers shall be elected by the Board at its annual meeting. Each officer shall serve until the expiration of the term for which he is elected, and thereafter until his successor has been elected and qualified.

3. Duties. All officers shall have such authority and perform such duties in the management of the Corporation as are normally incident to their offices and as the Board of Directors may from time to time provide.

#### ARTICLE IV

##### RESIGNATIONS, REMOVALS AND VACANCIES

1. Resignations. Any officer or director may resign at any time by giving written notice to the Chairman of the Board, the President, or the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time is specified, then upon its acceptance by the Board of Directors.

2. Removal of Officers. Any or all of the Directors may be removed by the Board whenever in its judgement the best interests of the Corporation will be served thereby.

3. Removal of Directors. Any or all of the Directors may be removed either with or without cause by a proper vote of the shareholders; and may be removed with cause by a majority vote of the entire Board.

4. Vacancies. Newly created directorships resulting from an increase in the number of directors, and vacancies occurring in any office or directorship for any reason, including removal of an officer or director, may be filled by the vote of a majority of the directors then in office, even if less than a quorum exists.

#### ARTICLE V

##### ACTION BY CONSENT

Whenever the shareholders or directors are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all the persons or entities entitled to vote thereon.

#### ARTICLE VI

##### AMENDMENT OF BY-LAWS

These By-Laws may be amended, added to or repealed either by: 1) a majority vote of the shares represented at any duly constituted shareholders' meeting, or 2) a majority vote of the entire board of directors, which may, however, be amended or repealed by the shareholders.

CERTIFICATION

I certify that these By-Laws were duly adopted at the organizational meeting of the Corporation held on the 1st day of September, 1982, and were approved by all the shareholders on that date.

William H. Horn

President

Lee Ann Ealey

Secretary



Form **553**  
 (Rev. October 1981)  
 Department of the Treasury  
 Internal Revenue Service

**Election by a Small Business Corporation**

(Under section 1372 of the Internal Revenue Code)

For Paperwork Reduction Act Notice, see Instructions on back.

OMB No. 1545-0046  
 Form 9-81-01

Note: This election under section 1372(a) to be treated as an "electing small business corporation" for income tax purposes can be approved only if all the tests in instruction B are met.

<input checked="" type="checkbox"/> corporation (see instructions)		Employer identification number (see instructions) <b>62-1142982</b>	Principal business activity and special product or service (see instructions) <b>4825-Communication</b>
Targeted Communications, Inc. Number and street			Election is to be effective for the year beginning (month, day, year) <b>1-1-83</b>
P.O. Box 60685 City or town, State and ZIP code <b>Nashville, TN 37206</b>			Number of shares issued and outstanding (see instructions) <b>1,000</b>
Is the corporation the outgrowth or continuation of any form of predecessor? . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No			Date and place of incorporation <b>8-18-82 Nashville, TN</b>
If "Yes," state name of predecessor, type of organization, and period of its existence: _____			

If this election takes effect for the first tax year the corporation exists, complete A through H below, otherwise complete E through H

A Date corporation first had shareholders <b>8-18-82</b>	B Date corporation first had assets <b>8-18-82</b>	C Date corporation began doing business <b>8-18-82</b>	D Annual return will be filed for the year ending (month) <b>12</b>
---	---	---	--

E Name of each shareholder (person having a community property interest in the corporation's stock, and each tenant in common, joint tenant, and tenant by the entirety (a husband and wife (and their estate) are treated as one shareholder. However both must be listed below if both own interest in stock of the corporation.))	F Shareholders' Consent Statement. Was the undersigned shareholder, consent to the corporation's election to be treated as an "electing small business corporation" under section 1372(a). (Shareholders sign and date below.)		G Stock owned		H Stock for security (company's identification number of stock or trust)
	Number of shares	Date acquired	Number of shares	Date acquired	
1 William H. Boner	<i>William H. Boner</i>	8-18-82	1,000	8-18-82	406 / 2-3296
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

\* If this election is to be valid, the consent of each shareholder, person having a community property interest in the corporation's stock, and each tenant in common, joint tenant, and tenant by the entirety must either appear above or be attached to this form. (See instructions for column F.)

Under penalty of perjury, I declare that I have examined this election, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature and Title of Officer: *William H. Boner, President* Date: *3/10/83*

TO: BB  
 FROM: RM  
 DATE: JANUARY 28TH  
 RE: EQUIPMENT PURCHASED

Type of Equipment	*Date	Amount**
1. IBM-System 34		
(a) Processor with 128K, 20 Diskette Drive, 12MB	8/27/84	\$14,500.00
(b) System Software	9/14/84	7,723.00
(c) Modem Eliminator	10/24/84	431.00
2. Word COM		
(a) Specified Software	11/19/84	12,500.00
3. 5211-2 Printer	12/1/84	4,777.50
4. Information Distributor:4800BPS (a) Laser 6670	8/29/84	23,756.24
5. IBM- PC-XT and supplies	2/1/85	4,187.25
6. Xerox Copier	9/20/82	2,613.56
7. Pitney Bowes Mailing Equip.	9/20/82	6,420.31
8. MEL 3000 (Cmpydialer)	9/23/82	36,000.00
9. IBM - System Six/450	3/22/82	25,464.25
		<hr/>
	TOTAL	\$138,373.11

\*Date of payment, not delivery.

\*\* Amount check was written for



COMBINATION PROMISSORY NOTE  
(Commercial System)

30,897.34 Memphis Tennessee November 1, 1983

FOR VALUE RECEIVED, the undersigned, jointly and severally, promises to pay to the order of UNION PLANTERS NATIONAL BANK OF MEMPHIS... THIRTY THOUSAND, EIGHT HUNDRED NINETY SEVEN & 34/100... 30,897.34

AS TO PRINCIPAL ONLY:
AS TO INTEREST ONLY:
AS TO JOINT PRINCIPAL AND INTEREST PAYMENT.
Includes fields for loan amount, interest rate, and payment schedule.

LOAN PAID

If used herein "Prime Rate" means Bank's published reference rate in effect from time to time for commercial loans... The undersigned hereby agrees to pay all expenses directly related to the loan evidenced hereby...

- Security Agreement:
Pledged Collateral, Debts and Life Insurance, dated
Account, Contract Right and Inventory, dated
Equipment, dated, November 1, 1983
Other:
Personal guaranty of William H. Bone

The undersigned hereby agrees to deposit such additional collateral security as Bank may from time to time demand... Upon the happening of any of the following events all of the aforesaid liabilities shall, without notice of the action of Bank, become immediately due...

Every maker, surety endorser, guarantor or other party... Targeted Communications, Inc. 2118 24th Avenue North Nashville, TN 37208

Telephone No ADDRESS William H. Bone

If This Loan is For Consumer Purpose, Disclose System No 055-1498-C1 Must Be Used

TARGETED COMMUNICATIONS, INC. 106  
 PO BOX 9999  
 NASHVILLE, TENNESSEE 37203

12/15 092  
 Payable to the order of U.S. Bank  
 Five thousand and no/100 \$ 5,000.00  
 US BANK  
 UNITED SOUTHERN BANK  
 MEMPHIS BRANCH - MEMPHIS, TN  
 No. 116928-13093  
 000105 064002280 06900 000050000

PLEASE ENDORSE ALL CHECKS. Checks and other items are returned for deposit subject to the rules and regulations of the Federal Reserve. Use reverse side for additional listing or attach tags.

US BANK

TARGETED COMMUNICATIONS, INC. 124  
 PO BOX 9999  
 NASHVILLE, TENNESSEE 37203

9-15 092  
 Payable to the order of F.D.I.C.  
 Five thousand and no/100 \$ 5,000.00  
 US BANK  
 UNITED SOUTHERN BANK  
 MEMPHIS BRANCH - MEMPHIS, TN  
 No. 116928-13093  
 000124 064002280 06900 000050000

IG ITEMS  
 CHECK NUMBER  
 \$ AMOUNT

TARGETED COMMUNICATIONS, INC.  
 PO BOX 8888  
 NASHVILLE, TENNESSEE 37208

December 20, 1983

Pay to the order of *Union Planters Bank* \$ 8,000.00

Eight thousand and no/100

1169028-13093 **US BANK**  
 UNITED STATES OF AMERICA  
 Prin. 7,449.79/Int. 550.21

*William H. Rowe*

⑆000128⑆ ⑆064002280⑆ 0 06900 6⑆ ⑆000800000⑆

TARGETED COMMUNICATIONS, INC.  
 P.O. BOX 8888  
 NASHVILLE, TENN. 37208

113

Jan. 2 1985

Pay to the order of *Commerce Union Bank* \$10,000.00

*Ten thousand and 00/100* Dollars

**Commerce Union Bank** Nashville, Tenn

TARGETED COMMUNICATIONS, INC.  
 8-84

For Payment or Cash *William H. Rowe*

⑆000113⑆ ⑆064000020⑆ 856 755 7⑆ ⑆000800000⑆

TARGETED COMMUNICATIONS, INC.  
 P. O. BOX 80000  
 NASHVILLE, TENN. 37209

145

Sept. 3 1985

Pay to the order of Commerce Union Bank \$6,581.35

Six thousand five hundred eighty one and 35/100 Dollars

Commerce Union Bank Nashville, Tenn

For A/c # 6566 21 - Int. # 15.14

William H. Parnes

#000145# 1:064000020: 856 755 7# 10000658135/

TARGETED COMMUNICATIONS, INC.  
 P. O. BOX 80000  
 NASHVILLE, TENN. 37209

142

Aug 5 1985

Pay to the order of Commerce Union Bank \$6,000.00

Six thousand and 00/100 Dollars

Commerce Union Bank Nashville, Tenn

William H. Parnes

#000142# 1:064000020: 856 755 7# 10000600000/

This is to signify an agreement between Targeted Communications, Inc. and the Re-elect Congress Bill France Committee for the lease of a 3100 Xerox Copier (Serial Number 140717) owned by Targeted Communications, Inc. The Campaign Committee shall pay Targeted Communications, Inc. the sum of \$220.00 per month for the lease of the Xerox Copier and shall pay for all service repairs for the duration of this lease agreement.

1-11-72  
DATE

TARGETED COMMUNICATIONS, INC.

*Howard H. Edgerly*

*Bill France*  
BILL FRANCE, TREASURER  
Re-Elect Congressman Boner



## LEASE AGREEMENT

This is to signify an agreement between Targeted Communications, Inc. and the Re-elect Congressman Bill Boner Campaign Committee for the lease of a Pitney Bowes Fast Mail System (Inserter, Model No. 3307, Serial Number 014308, Mail Machine, Model No. 5600, Serial Number 167002, Fld/Insert Model No 1831, Serial Number 014355) owned by Targeted Communications, Inc. The Campaign Committee will pay to Targeted Communications, Inc. the sum of \$700.00 per month for the lease of said Pitney Bowes Mail System and Targeted Communications, Inc. shall pay for all service repairs for the duration of this lease agreement.

10/11/82  
DATE

TARGETED COMMUNICATIONS, INC.

*Harold H. Elving*

TREASURER  
Re-elect Congressman Boner

LEASE AGREEMENT

This is to signify an agreement between Targeted Communications, Inc. and the Re-elect Congressman Bill Boner Campaign Committee for the lease of a MEL 3000 System owned by Targeted Communications, Inc. The Campaign Committee shall pay to Targeted Communications, Inc. the sum of \$1,500.00 per month for the use of said MEL 3000 System and Targeted Communications, Inc. shall pay for all service repairs for the duration of this lease agreement.

3/12/83  
DATE

TARGETED COMMUNICATIONS, INC.

by

*Bill Freeman*  
*Bill Freeman*  
BILL FREEMAN, TREASURER  
Re-elect Congressman Boner 1988

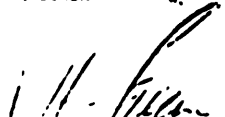
LEASE AGREEMENT

This is to signify and agreement between Targeted Communications, Inc. and the Re-Elect Congressman Boner 1986 Committee for the lease of an IBM System 34 Computer, 34 Software and 6670 Laser Printer (includes 5,000 prints and cost schedule for additional prints will be 75% of the cost that IBM would charge). The Campaign Committee will pay to Targeted Communications, Inc. the sum of \$5,600.00 per month for the lease of said System 34, 34 Software and 6670 Laser Printer and shall pay for maintenance and service repairs for the duration of this lease agreement.

1/1/85  
Date



WILLIAM H. BONER



WILLIAM H. FLINN, Treasurer  
Re-Elect Congressman Boner, 1986

October 4, 1982

**XEROX**  
 Congressman Bill Borer  
 Federal Building  
 U. S. Courthouse  
 Nashville, TN 37203

Dear Congressman:

I would like to take this opportunity to thank you for the continued trust and confidence you have placed in Xerox. As you requested, I have listed below the current rental rates for the Xerox 3100:

Xerox 3100 Regular Pricing

Monthly Rental

Monthly Minimum (includes 1,000 copies)	\$ 222.50
Copies from 1,000 to 3,000 @ \$.027 each	
Copies from 3,000 to 6,000 @ \$.027 each	
Copies over 6,000 @ \$.027 each	

Annual Rental

Monthly Minimum (includes 1,000 copies)	\$ 172.50
Copies from 1,000 to 3,000 @ \$.027 each	
Copies from 3,000 to 6,000 @ \$.027 each	
Copies over 6,000 @ \$.027 each	

Two-Year Rental

Monthly Minimum (includes 625 copies)	\$ 167.50
Copies from 625 to 3,000 @ \$.047 each	
Copies from 3,000 to 6,000 @ \$.028 each	
Copies from 6,000 @ \$.018 each	

Delivery Charges	\$ 79.00
------------------	----------

Thank you for the business you have given us.

Sincerely,

*Dale Williams*

Dale Williams  
 Marketing Executive  
 XEROX CORPORATION

DW:sta


**XEROX 3100 - Rental Rates, 1984 November**

		Copies Included	Up to 3,000 copies	Over 3,000
monthly	\$245.00	1,500	.067	
annual	183.00	1,000	.054	
two-year	156.50	750	.05	

Please Note: Xerox is having a price increase on some products effective  
 You may want to check with me to see if your prices will change.



September 14, 1977

Congressman Bill Turner  
552 U S Court  
Nashville, TN 37203

Dear Betty:

Here are our Pitney Bowes current leasing rates.

These would be what all major leasing companies are using as their factors.

ONE (1) YEAR LEASE

\$714.29 PER MONTH  
(FOR ONE YEAR)

TWO (2) YEAR LEASE

\$425.00 PER MONTH  
(24 MONTHS)

BUY OPTION:

\$3,950.00

If I can be of  
no further

*[Handwritten signature]*  
LIVE

GC 11's

CC: John Ball

7, 1984

CONGRESSMAN BILL BONER  
552 U S Courthouse  
Nashville, TN 37203  
Attn: Betty Murray

Dear Ms. Murray:

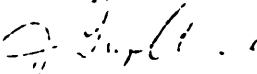
Enclosed is the information you requested in regards to your existing Pitney Bowes Mailing System.

- 1) One-year monthly \$651.00
- 2) Two-year monthly \$592.00

I appreciate your interest in our services. If you have any questions or need of a quote, please call me to give me a call.

Thank you.

Truly,



J. C. Smith  
S A R

JCS/jum

April 6, 1950

Congressman Bill Egan  
Room 552  
Federal Court 1  
Nashville, TN.

Dear Congressman Egan:

Please note that the leasing charge on a Mel 3000 system, similar to the one you are presently utilizing would be approximately \$1,600.00/month.

Thank you for doing business with Melita Electronic Labs, Inc.

Sincerely,

*Alexander Szlam*  
Alexander Szlam, CEO

AS:hc

MEL

MELITA ELECTRONIC LABS  
3731 North  
ATLANTA, GA



December 7, 1984

Congressman Bill Evers  
Room 502  
Federal Court Bldg  
Nashville, TN. 37243

Dear Congressman Evers:

Please note that the leasing charge on a Mel 3000 system similar to the one you are presently utilizing would be approximately \$1,000.00/month.

Thank you for your interest in Mel Electronics, Inc.

(1)  
10-10-84

AS:ms

MEL

MEL ELECTRONICS, INC.  
37243  
NASHVILLE, TENNESSEE 37243  
(615) 457-3700

October 7, 1964

Mr. Hutch Eley  
Office of Congressman Bill Borer  
U. S. Courthouse  
Nashville, Tennessee 37201

Dear Hutch:

The following is the information you requested regarding rental of IBM equipment. These figures are not to be considered a price quotation, but rather are to be used by you as a guide for informational purposes only. These prices do not reflect state and local taxes should they be applicable.

	C O S T P E R M O N T H
IBM SYSTEM/34 COMPUTER	\$3,232.00
IBM SYSTEM/34 SOFTWARE	\$ 269.00
IBM 6670 LASER PRINTER	\$2,640.00
Includes 5,000 Prints	
Add'l Prints 5,001-30,000	\$ 012/Each
30,001+	\$ 009/Each

Hutch, if we can be of further assistance, do not hesitate to contact us.

Sincerely,

*U. Al Pouk*

N. Al Pouk  
Advisory Marketing Representative  
National Marketing Division

DAH:4630.2514.8

REPRODUCED FROM THE ORIGINAL FILED IN THE OFFICE OF THE CLERK OF THE SUPREME COURT OF THE STATE OF TENNESSEE

# State of Tennessee



## Department of State

### Certificate

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of

TARGETED COMMUNICATIONS, INC.

was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law and was filed by the undersigned, as Secretary of State, on the date noted on the document.

Therefore, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on February 5th, 1986.



*Lentry Crowell*  
Secretary of State  
*Debra C. Kelley*

ARTICLES OF DISSOLUTION PURSUANT TO SECTION 48-1-1007  
OF THE TENNESSEE GENERAL CORPORATION ACT OF  
TARGETED COMMUNICATIONS, INC.

Pursuant to the provisions of Section 48-1-1007 of the Tennessee General Corporation Act, the undersigned corporation submits the following articles of dissolution for the purpose of dissolving the corporation:

1. The name of the corporation is  
TARGETED COMMUNICATIONS, INC.
2. The approval and intent to dissolve the corporation was given by its sole shareholder on September 30, 1985, and the written consent to the dissolution of the corporation is hereby given, nunc pro tunc, and submitted herewith, pursuant to the provisions of Section 48-1-1002 of the Tennessee General Corporation Act.
3. All debts, obligations and liabilities of the corporation have been paid and discharged, or adequate provision has been made therefor.
4. As a corporation for profit, all remaining property and asset of the corporation have been distributed among its sole shareholder in accordance with his respective rights and interests.
5. There are no suits pending against the corporation in any court of law.

DATED January 31, 1986.

TARGETED COMMUNICATIONS, INC.

By: William G. Thomas  
PRESIDENT

**STATEMENT OF INTENT TO DISSOLVE  
TARGETED COMMUNICATIONS, INC.  
BY WRITTEN CONSENT**

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-1-1002 of the Tennessee General Corporation Act, the undersigned corporation submits the following statement of intent to dissolve upon written consent of its sole shareholder.

1. The name of the corporation is

TARGETED COMMUNICATIONS, INC.

2. The names and address of its officers are:

William H. Bower	President	714 Russell Street Nashville, TN 37206
------------------	-----------	---

Lee Ann Eley	Secretary- Treasurer	1725 Gen. George Patton Dr. Unit 101 Franklin, TN 37064
--------------	-------------------------	---

3. The names and addresses of its directors are:

Lee Ann Eley	1725 General George Patton Drive Unit 101 Franklin, TN 37064
--------------	--

Howard H. Eley	1725 General George Patton Drive Unit 101 Franklin, TN 37064
----------------	--

4. The approval and intent to dissolve the corporation was given by its sole shareholder on September 30, 1985, and the written consent to the dissolution of the corporation is hereby given, nunc pro tunc.

DATED January 21, 1986.

TARGETED COMMUNICATIONS, INC.

By: William H. Bower  
PRESIDENT

WRITTEN CONSENT OF DISSOLUTION  
OF  
TARGETED COMMUNICATIONS, INC.

I, the undersigned, being the sole shareholder of Targeted Communications, Inc. and the sole shareholder entitled to vote, approved the dissolution of Targeted Communications, Inc. on September 30, 1985, and hereby give my written consent, hunc pro tunc, that such approval was given and intent made on that day to dissolve Targeted Communications, Inc., a corporation organized and existing under the laws of the State of Tennessee. This written consent has been signed by the sole shareholder of said corporation.

DATED January 31, 1986.

William H. Brown

**U.S. House of Representatives****COMMITTEE ON STANDARDS OF  
OFFICIAL CONDUCT**

Washington, D.C. 20515

18 January 1979

Honorable Bill Boner  
118 Cannon House Office Building  
Washington, D. C. 20515

Dear Colleague:

This is in reply to your letter of January 9, 1979, wherein you request an advisory opinion concerning the propriety of your personally employing your sister in your district office and compensating her entirely out of your own salary as a Member of Congress.

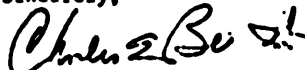
The applicable House Rule in this situation is Rule 45, which prohibits private contributions for official purposes. However, this Rule is not intended in any way to restrict a Member's use of his personal funds; therefore, Rule 45 would not serve to prohibit you from hiring additional staff members and paying them from your own funds.

There is also a statutory prohibition against federal employment of certain relatives. Section 3110 of title 5, United States Code, provides that a public official may not appoint, employ, or promote any of certain relatives of his to a civilian position in the agency in which he is serving. This restriction is intended to prohibit a public official from employing or advocating for employment a relative of his to a position in the federal government for which the relative would receive formal compensation as salary from the U.S. Treasury. In the situation you describe, your sister would be paid from your own personal funds, and thus would not be considered a federal employee. Accordingly, there is nothing improper in this proposed arrangement whereby your sister would work in your district office and you would pay her entirely out of your own funds.

If you have any further questions on this matter, please contact the Committee staff on ext. 57103.

With best wishes,

Sincerely,



Charles E. Bennett  
Acting Chairman

## REIMBURSEMENTS FROM CAMPAIGN TO BILL BONER

In 1985 the campaign reimbursed Bill Boner for expenses incurred for bona fide campaign purposes in the amount of \$3,837.04. The categories in which the expenses are broken down and their amounts are as follows:

A. CONSTITUENT PRESENTATIONS

\$ 126.51  
 796.28  
 92.49  
 165.10  
 39.60  
 9.90  
 190.10  
 -----  
 \$1,419.98

B. FOOD, RECEPTION EXPENSES

\$ 98.01  
 115.83  
 31.57  
 201.00  
 92.24  
 10.39  
 19.54  
 107.64  
 84.60  
 22.23  
 38.43  
 80.00  
 30.00  
 6.00

-----  
 \$937.48

## C.

TRAVEL

\$ 15.00  
 69.77  
 17.00  
 95.63  
 31.95  
 7.25  
 21.00  
 5.25  
 2.25  
 18.20  
 50.10  
 12.00  
 10.91

-----  
 \$ 356.31

D. DONATIONS

\$ 25.00  
 50.00  
 60.00  
 144.00  
 75.00  
 115.00  
 100.00  
 145.00  
 -----  
 \$714.00

## E.

DUES

\$91.00

F. MISCELLANEOUS

\$150.00  
 12.14  
 69.50  
 36.63  
 50.00  
 -----

\$318.27





wwo/10/27/83

GREENVILLE HOTEL ASSOCIATES, LIMITED  
LIMITED PARTNERSHIP AGREEMENT

THIS LIMITED PARTNERSHIP AGREEMENT, made and entered into this 16 day of November, 1983, between Gary L. Price, Thomas Vernier, Harry K. Weisiger, Bruce Mahon, and Robert D. Nabholz, sometimes hereinafter referred to collectively as "General Partners", and James E. Jones, Jr., Bill Boner and Douglas C. Lance, sometimes hereinafter referred to collectively as the "Limited Partners", establishes Greenville Hotel Associates, Limited, a Tennessee limited Partnership.

I. GENERAL

1.1 Formation. The parties hereto desire to form a limited partnership, sometimes hereinafter referred to as the "Partnership" under the Uniform Limited Partnership Act, as enacted in the State of Tennessee, for the purpose of purchasing and developing real property and constructing and operating a hotel in Greenville, South Carolina. Simultaneously with the execution of this Limited Partnership Agreement, sometimes hereinafter referred to as the "Agreement", the parties shall execute a Limited Partnership Certificate which will be filed forthwith in the appropriate public office pursuant to the Uniform Limited Partnership Act as enacted in the State of Tennessee, which filing shall complete the formation of the Partnership. Whenever used herein, the term "Partners" shall include all the general and limited partners unless otherwise expressly designated.

1.2 Name. The name of the Partnership shall be Greenville Hotel Associates, Limited.

1.3 Office. The principal office and place of business of the Partnership shall be Suite 404, 50 Music Square West, Nashville, Tennessee, or such other location as may be determined by the General Partners, upon notice to the Limited Partners.

1.4 Term. The Partnership shall terminate on July 1, 2030, unless terminated sooner pursuant to this Agreement.

II. POWERS

2.1 Authorized Powers. The Partnership is authorized to develop, construct, own and operate a hotel to be located in the City of Greenville, South Carolina, and in connection therewith:

a. To acquire property for investment in the name of the Partnership or its designee until such time as, in the judgment of the General Partners, the purposes and objectives of the Partnership can best be served by disposing of such property;

b. To lease, rent or otherwise use property during such time as it is held in the name of the Partnership or its designee in any manner consistent with the objectives of the Partnership;

c. To borrow funds, execute and issue mortgages, notes and other evidences of indebtedness, and to secure the same by mortgage, deed of trust, pledge or other lien, for the purpose of securing the purchase price of the properties developed;

d. To enter into a franchise agreement with the Radisson Hotel chain.

e. To enter into, perform, and carry out contracts, incur and discharge obligations, and engage in other activities which may be necessary and proper for the protection and benefit of the Partnership and the accomplishment of its purposes and objectives.

f. To purchase the land on which the hotel is to be developed from M.A.D.A., Inc. for a price of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) in cash, subject to the usual and customary closing adjustments.

g. To do any other acts which may be necessary or appropriate for the accomplishment of the purposes and objectives of the Partnership.

### III. CAPITAL CONTRIBUTIONS AND ACCOUNTS.

3.1 Initial. The Partners shall make the initial contributions to the capital of the Partnership provided in Exhibit A hereto.

3.2 Additional. The General Partners recognize that their initial contributions to the capital of the Partnership may not be sufficient to effectively carry out the goals and purposes of the Partnership and to pay all of the Partnership's debt. Consequently, the General Partners agree that they shall make additional contributions to the capital of the Partnership, if, as, and when requested by the Managing Partner.

3.3 Personal Liability. The General Partners shall have personal liability with respect to their respective liabilities and obligations to contribute to the capital of the Partnership. The General Partners' obligations to make additional contributions to the capital of the Partnership shall be pro rata and in accordance with their relative interests in the profits and losses of the Partnership. Such additional contributions to the capital of the Partnership shall be made in cash.

3.4 Capital Account. A capital account shall be established on the books of the Partnership for each Partner. Each such capital account shall be credited with the amount of the respective Partner's capital contributions as they are made and with such Partner's share of Partnership income, gains, and profits. Each Partner's capital account shall be debited with his respective share of losses and distributions.

a sworn verification and certificate of the General Partners, be filed for record and serve as a Certificate of Limited Partnership or for any other lawful purpose.

IN WITNESS WHEREOF, the parties hereunto have executed this Agreement as of the day and year first above written.

GENERAL PARTNERS:

  
\_\_\_\_\_  
Gary L. Price

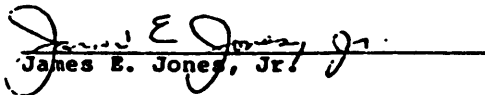
  
\_\_\_\_\_  
Thomas H. Vernier

  
\_\_\_\_\_  
Harry E. Weisiger

  
\_\_\_\_\_  
Bruce Mahon

  
\_\_\_\_\_  
Robert D. Nabholz

LIMITED PARTNERS:

  
\_\_\_\_\_  
James E. Jones, Jr.

  
\_\_\_\_\_  
Bill Boner

  
\_\_\_\_\_  
Douglas C. Lance

EXHIBIT A

<u>NAME</u>	<u>INITIAL CAPITAL CONTRIBUTION</u>	<u>INITIAL PROFIT/LOSS SHARING RATIO</u>
Gary L. Price	\$ 20.00	20%
Thomas Vernier	20.00	20%
Harry K. Weisiger	10.00	10%
Bruce Mahon	20.00	20%
Robert D. Nabholz	10.00	10%
James E. Jones, Jr.	5.00	5%
Bill Boner	5.00	5%
Douglas C. Lance	<u>10.00</u>	<u>10%</u>
	\$ 100.00	100%

## Boner removed from hotel deal after bank balks

JAMES PRATT  
and JOEL KAPLAN

Staff Writers

Rep. Bill Boner has been dropped as a limited partner in an \$18 million hotel deal after a Nashville bank refused to combine financing the venture unless Boner was removed.

The Tennessee has learned from principals involved in the deal that Third National Bank told Nashville developer Gary L. Price that the bank would continue to help finance the \$18 million South Carolina hotel project only if Price put in writing that Boner was no longer a partner.

"I have been told that Bill Boner no longer has any involvement in the deal," said Jimmy Joost, who works for Dan Joyner Realty in Greenville, S.C., and is one of the limited partners in the venture.

Boner was one of the original limited partners in the deal, which began in September 1983. For a takes

Turn to PAGE 19A, Column 1

# Boner out as hotel partner after bank balks at funding

From Page 1

\$5 investment he was given a 5% interest in what was going to be a luxury 257-room Radisson Hotel off Interstate 385 in Greenville.

On Aug. 13, 1984, the partnership — Greenville Hotel Associates Ltd. — purchased the land and took out three loans totaling \$1.36 million to pay for it, including a \$750,000 loan from Third National Bank. Boner, unlike the other partners, did not have to guarantee any part of those loans.

But the partnership ran into trouble and in the past few months has dropped the Radisson affiliation and is now seeking to build a Hilton hotel. When Price presented the new proposal to bank officials, they said they would agree to further financing only if Boner was not involved.

In addition, Price was attempting to bring in Belz Enterprises of Memphis, a nationally known hotel development company, as a 50-50 partner with Price's group, which contained two of the original partners from the Radisson deal.

"Bank officials told Price that they were embarrassed by the publicity involving Boner," said one person involved in the deal. "They told him they would finance the venture only if

he could guarantee that Boner was no longer involved. Price has to guarantee in writing every year that is the case."

Those involved said Belz Enterprises agreed with Third National officials, and said Price was in the position of having to drop the congressman or lose the bank's financing and Belz's involvement. Price dropped Boner, and Belz Enterprises agreed to become the managing partner in the venture.

Price called *The Tennessean* from New York last night to confirm that Boner was out of the deal and added that the congressman would lose his \$5 investment.

"Bill Boner is not getting any money from this," he said. "There's not enough money to pay off the debt. If you ask — 'Is Bill Boner going to lose his investment?' — the answer is categorically yes."

Asked if the congressman will receive any proceeds from getting out of the deal, Boner's press secretary, Jeff Eller, said:

"The congressman is no longer involved in Greenville Hotel Associates. That is the end of the statement."

The congressman has refused to answer any questions about the Greenville hotel deal or his relationship with Price. Eller has said Boner's schedule has been too full since July

for an interview on the subject, and at press conferences Boner refuses to answer any questions relating to his financial affairs.

Last September, Price said he gave Boner the 5% interest as a gift because the congressman "means a lot to me. He is a good, personal friend."

At the time, the Nashville developer said that, while Boner had no personal liability in the deal, there were some problems with the project and that if Boner ever saw money out of the deal, it would not be for several years. Asked then about the status of the project, Price said:

"It would be inappropriate for me to go into that. There are several intimate negotiations going on at the present time. Unfortunately, the project was ill-conceived at the time of its inception. By that I mean Radisson has had some very difficult problems with some of the franchisees, which has made financing next to impossible.

"To build that hotel today we're looking at \$19 million minimum, and we are still working on it. There is still a definite possibility that the hotel will be built, if the conditions obviously improve. There is a possibility that the hotel could get built, but I think it certainly would be built by another partnership."



To: BB  
From: BM

DEC 16 1985

Samuel E. Reynolds  
President

Head Office Building  
414 James Robertson Park  
Nashville, Tennessee 37219  
(615) 251-6100

December 9, 1985

The Honorable William H. Boner  
United States House of Representatives  
Federal Building, U.S. Courthouse  
Nashville, Tennessee 37203

Personal and Confidential

Dear Congressman Boner:

I read yesterday the article written by James Pratt and Joel Kaplan, relative to your involvement in the proposed Hilton project in Greenville, South Carolina. Please be informed that officers of Third National Bank and Third National Mortgage Company are at a loss to explain the source of the information outlined within The Tennessean dated December 8, 1985. At no time did I, who had been involved in 95% of the negotiations, or Jim Kyle, who was involved in 5% of the negotiations ever intimated in any way whatsoever the reluctance of Third National Bank to finance a project if you were involved.

To the best of my knowledge, the only Third National Bank officer who was contacted by The Tennessean was Gene Southwood. Mr. Southwood indicated that The Tennessean had asked if you were involved currently in the development in Greenville, for which he replied that his people had informed him that they had been informed by Gary Price some time ago that you were no longer involved. Mr. Southwood indicated this was the extent of his conversation with the reporter from The Tennessean.

Relative to the comment by "one person involved in the deal" which said, "Bank officials told Price that they were embarrassed by the publicity involving Boner," I have only this comment. Gary Price did not disclose to me until publicity hit that you were involved with Gary Price on another real estate transaction and you were also involved in the Greenville Hotel Associates partnership. The only thing that was said at that time to Gary Price is that, "It is embarrassing when we don't know who our borrowers are and the people involved in a transaction and do not let it happen again." We want to have full disclosure of all parties involved in any of our loans. At no time was it ever intimated that we did not want you involved in this transaction or any other transaction, where Third National was involved. Relative to the article stating that Third National Bank would finance the venture if Price could guarantee that you were no longer involved is totally false. The commitment language relative to this area of concern, taken from our commitment says, "As a pre-condition to the extension of the loan, the borrower must make a full disclosure to lender of all persons having an ownership interest, direct, beneficial, or otherwise, the borrower, showing the amount of ownership interest therein, together with an annual affidavit regarding any changes thereto....Additionally, at the



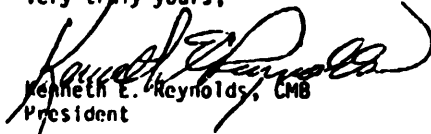
Congressman W. H. Boner  
December 9, 1985  
page two

closing and updated annually, the borrower shall certify to the lender the persons, other than the Belz Group, who own an interest in borrower and the amount of the ownership interest therein." As you can see from this language, we were only looking to have a disclosure as to the general and limited partners involved in this transaction.

I hope this will clarify for you any involvement that officers or employees of Third National had relative to the article in The Tennessean. I am trying to find out the source of this information; however, I can pretty well assure you it was not from an employee of Third National.

With my best wishes.

Very truly yours,



Kenneth E. Reynolds, CMB  
President

KER.mja

**AGREEMENT OF LIMITED PARTNERSHIP  
OF RICHMOND HOTEL DEVELOPERS UNLIMITED**

THIS AGREEMENT, entered into this *15<sup>th</sup>* day of October, 1984, by and between GARY L. PRICE, JAMES A. WEBB, III, DOUGLAS C. LANCE, JR., PAUL H. HOLMES, J. STUART SARGENT and ROBERT D. NABHOLZ, hereinafter collectively referred to as the "General Partners," and GENE R. GUNN and WILLIAM BONER, hereinafter referred to as the "Limited Partners" (all of whom may sometimes be collectively referred to as the "Partners");

**W I T N E S S E T H:**

WHEREAS, it is contemplated that the Partnership, as hereinafter defined, will be conveyed certain parcels of real estate and will be assigned certain other contractual rights pursuant to an agreement under the terms of which the Partnership will acquire title to certain additional lands (hereinafter referred to in the aggregate as the "Property"); such Property being more particularly described in the attached Schedule "A"; and

WHEREAS, the parties are desirous of acquiring and holding title to the Property and maintaining, planning, developing, improving, operating, leasing and perhaps selling portions or all of said Property upon beneficial terms and conditions; and

WHEREAS, the parties wish to provide for the acquisition, development, improvement, operation and management of the Property, the division of profits and losses from the operation and sale thereof, and other related matters.

NOW, THEREFORE, the parties do, in consideration of the mutual covenants and undertakings herein contained, hereby form a

Limited Partnership, pursuant to the provisions of the Virginia Limited Partnership Act, as amended, subject to the following terms and conditions:

1. CREATION OF PARTNERSHIP. The General Partners and the Limited Partners have entered into a limited partnership (the "Partnership") for the purposes set forth in this Agreement. The Partnership shall be governed by the Virginia Limited Partnership Act, as amended. The Partnership shall be conducted under the name of RICHMOND HOTEL DEVELOPERS UNLIMITED.
2. CHARACTER OF THE BUSINESS. The character of the business to be conducted by the Partnership is to acquire, plan, develop, construct, hold, improve, maintain, operate, manage, lease and dispose of the Property and to engage in any and all general business activities incidental thereto as may be permitted by law.
3. LOCATION OF PRINCIPAL PLACE OF BUSINESS. The principal place of business of the Partnership shall be located at 50 Music Square West, Suite 404, Nashville, Tennessee 37203.
4. NAME AND PLACE OF RESIDENCE OF EACH PARTNER. The names and addresses of the General and Limited Partners are set out in the attached Schedule "B", which by this reference is expressly incorporated herein. The initial Managing General Partner shall be GARY L. PRICE. A majority in interest of the General Partners may remove the Managing General Partner upon thirty (30) days notice.
5. TERM OF PARTNERSHIP. The Partnership is to exist from the date this document is fully executed until December 31, 2004, unless sooner terminated in accordance with this Agreement.
6. CERTIFICATE OF LIMITED PARTNERSHIP, ETC. The parties hereto will execute a Certificate of Limited Partnership which shall be duly recorded in accordance with Section 50-45 of the Code of Virginia of 1950, as amended. In addition, the General

Partners shall file such fictitious name statements as may be required by law.

7. CAPITAL CONTRIBUTIONS. The capital account of the Partnership shall consist of the Partners' capital contributions, and each Partner shall own such amount of the total capital of the Partnership as is in direct proportion to the percent that his capital contribution bears to the total amount of capital contributions made by the Partners.

(a) The Partners shall initially contribute to the capital of the Partnership the sums set out in the attached Schedule B.

(b) An individual capital account shall be maintained for each Partner. The capital account of a Partner as of any date is hereby defined to mean (i) the amount of any cash contributed to the capital account of the Partnership plus the value of any property contributed to the capital account, (ii) increased by such Partners' distributive share of profits of the Partnership, and (iii) reduced by such Partner's distributive share of losses of the Partnership and any distributions by the Partnership to the Partners.

(c) The General Partners shall each contribute to the capital account of the Partnership such additional sums of money as shall from time to time be determined by a majority in interest of the General Partners to be necessary to meet operating expenses, interest, taxes, costs of repairs, or other obligations of the Partnership; provided, however, that all such contributions shall be made concurrently and in the same proportion as the General Partner's share of profits and losses set forth herein. Notice of the need for such capital shall be given by the Managing General Partners to each of the Partners.

(d) In the event any General Partner fails to contribute his additional share of the capital determined by a

majority in interest of the General Partners to be necessary within thirty (30) days after the giving of notice as aforesaid, then (i) such defaulting General Partner shall be permitted upon his written request to the non-defaulting General Partners, to borrow such required sum of money from one or more of them and immediately thereafter pay such sum of money into the Partnership as his share of the additionally required capital, provided that such loan of money to the defaulting Partner shall not be made for a term in excess of six (6) months and shall be borrowed at an annual interest rate of two (2) points above the prime lending rate as published by United Virginia Bank; or (ii) not receiving any written request from a defaulting General Partner, any non-defaulting General Partner may give written notice of such default to all of the other General Partners, and each such other General Partner who is not in default shall have the right, pro rata with the other such non-defaulting General Partner or Partners, to purchase the defaulting General Partner's interest in the Partnership at a price equal to the amount of such defaulting General Partner's capital account. Any General Partner electing to purchase a defaulting General Partner's share shall give written notice of such election within ten (10) days after receipt of notice of such default, as hereinabove provided for, and settlement shall be held within thirty (30) days after the giving of notice of such election, with payment to be made in cash at settlement.

(e) Losses in Excess of Capital Contribution. Nothing herein shall require a Limited Partner to bear actual cash losses of the Partnership in excess of his capital contribution to the Partnership. Further, nothing herein shall prevent allocation of losses in excess of actual investment herein, so long as the same is permissible under applicable provisions of the Internal Revenue Code of 1954, as amended (the "Internal Revenue Code").

However, death or incompetency of all of the General Partners will terminate the Partnership.

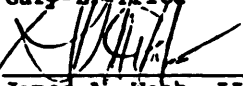
XIV. A Limited Partner shall have no right to demand or receive property other than cash in return for his contribution.

The names of the General Partners and the Limited Partners are signed hereto and each swear that the foregoing Certificate is true and correct to their best knowledge and belief.


DATED: October 15<sup>th</sup>, 1984.

GENERAL PARTNERS:

  
\_\_\_\_\_  
Gary H. Price (SEAL)

  
\_\_\_\_\_  
James A. Webb, III (SEAL)

  
\_\_\_\_\_  
Douglas C. Lance, Jr. (SEAL)

  
\_\_\_\_\_  
Paul A. Holmes (SEAL)

  
\_\_\_\_\_  
J. Stuart Sargent (SEAL)

  
\_\_\_\_\_  
Robert D. Nabholz (SEAL)

LIMITED PARTNERS:

  
\_\_\_\_\_  
Gene R. Gunn (SEAL)

  
\_\_\_\_\_  
William Boner (SEAL)

SCHEDULE B

<u>NAME and ADDRESS</u>	<u>CAPITAL CONTRIBUTION</u>
<u>General Partners</u>	
Gary L. Price 122 Prospect Hill Nashville, Tennessee 37205	\$ 250
James A. Webb, III 117 Westover Drive Nashville, Tennessee 37205	150
Douglas C. Lance, Jr. 3807 Hilldale Road Nashville, Tennessee 37215	100
Paul H. Holmes Route 5 Hattiesburg, Mississippi 39401	150
J. Stuart Sargent 16901 Davenport Court Dallas, Texas 75248	150
Robert D. Nabholz 55 Brookfield Conway, Arkansas 72032	100
<u>Limited Partners</u>	
Gene R. Gunn 9655 Lamont Drive Dallas, Texas 75216	50
William Boner 714 Russell Nashville, Tennessee 37206	50

# The Banner

Music City Media □ 38 pages □ 4 sections □ First edition



Amalgamated Press  
 ... jumps for joy as Defense  
 ... headquarters today.

## Boner sells his Shoney's, hopes to calm furor

Copyright 1988, Nashville Banner  
 By Mike Pigott  
 Banner Senior Political Editor

U.S. Rep. Bill Boner has sold his controversial Shoney's motel-restaurant properties in Virginia, saying he wanted to put an end to adverse publicity and avoid a conflict of interest.

Meanwhile, he denied a published report that he was ready to release his income tax returns, saying, "I intend to address my taxes and personal finances at a later date. But I am not ready to do that yet."

The congressman said he has "given back" the limited partnership he bought in a Richmond Shoney's property for \$50.

He said he has sold a Shoney's property in Manassas for the \$55,048 he had remaining on his note. The original loan was for \$58,000.

The two transactions sever all of his financial ties to the Nashville-based corporation, he said.

Boner acknowledged receiving up to \$20,000 in tax advantages from his ownership in the \$5 million Richmond investment and said he also received some business-loss-tax advantages in the Manassas project. He said he couldn't say off-hand how much the latter tax deduction totaled.

Boner, a friend of Shoney's executives and a top recipient of campaign contributions from the firm's political action committee, has had his ownership in the properties called into question during the past year.

Boner contends that his ownership in the properties was stan-



Bill Boner  
 Still not releasing taxes

dard real estate investment practice. He said he didn't even know when he entered the Richmond project that it would eventually be connected with a company in his hometown.

Please see BONER, page A-2

### BULLETIN

COLUMBIA — Police Chief Ed Holton was reduced to the rank of assistant chief today by the Columbia City Council. Assistant Police Chief Pat Troops was also demoted to sergeant. See earlier story, C-6.





NEWS FROM

Congressman

**Bill Boner**

To: Jeff

From: B.M.

(Final Edition)

07 Cannon House Office Building • Washington, D.C. 20519 • 202/225-4311

FOR IMMEDIATE RELEASE

Contact: Jeff Eller  
 615-736-5295 (Nashville)  
 202-226-4311 (Washington)  
 703-893-5197 (Home)

(Nashville) -- Congressman Bill Boner today announced that he is selling his property in Manassas, Virginia where a Shoney's restaurant is located, as well as his interest in a Richmond Virginia hotel development where a Shoney's Inn is located.

"For the past thirteen years I have devoted my life to public service. My primary interest and responsibility is to represent the people of the Fifth Congressional District. Like any other husband and father, I am also interested in my family's financial security. However, under no circumstances, do I want even the appearance that the two are in conflict. That is why I am taking these steps today. Over the past few months there have been questions raised about whether or not I have enhanced my personal financial situation through the office I hold. I have not. However, in order to remove any doubt that I have used my office for personal gain, I am divesting myself of these projects."

"In 1983, I made an investment in a piece of property in Manassas, VA with Mitch Boyd, an old friend of mine who owns several restaurants including a Shoney's franchise. It was recently announced that Mitch Boyd will become Vice Chairman and Chief Executive Officer of Shoney's Inc. and that his company SHOCAP, INC. is being acquired by Shoney's Inc. Since Shoney's would have a direct interest in this property, in order to remove the appearance of any impropriety, I have decided to sell the property for what I owe to the franchisee." Congressman Boner said.

"The original cost of the property was \$543,796.37. I am selling the property for \$535,048.70 which is the amount of the remaining indebtedness, plus any tax liability owed."

"I was also a limited partner in a Richmond hotel development and I have given my interest in that investment to the developer."

"Seven years ago, I committed myself to serving the people of the Fifth District in Congress. That is still my number one objective. By taking these steps today, I am reaffirming that commitment to the public."

RECORDED & INDEXED  
 1983 JUN 10 10 11 11 96 97 25

1983 JUN 10 10 11 11 96 97 25

1-27-866

Re: RR&S

Condo in Destin, Florida  
JETTY CAST

Purchased: Oct. 23, 1981

Purchase Price: \$167,000.00

Price Including Closing Cost : \$172,560.23

Downpayment: \$33,838.70  
(each of the 3 parinets paid 1/3 for \$33,838.70)

11:51:491

This instrument was prepared by  
George Ralph Miller, Atty...  
P. O. Box 187...  
DeFuniak Springs, FL 32033

**MORTGAGE**

THIS MORTGAGE is made this 27th day of April 1982, between the Mortgagee, Henry Carter Kirk and wife, Sharon S. Kirk (herein "Borrower"), and the Mortgagee

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION a corporation organized and existing under the laws of FLORIDA whose address is Highway 17 West, DeFuniak Springs, Florida 32033 (herein "Lender")

WHEREAS Borrower is indebted to Lender in the principal sum of One Hundred Thirty Six Thousand and NO/100 (\$136,000.00) (herein "Debt") which indebtedness is evidenced by Borrower's note dated April 27th, 1982 (herein "Note") providing for monthly installments of principal and interest, with the balance of the indebtedness if not sooner paid due and payable on May 1st, 2086

To Secure to Lender (a) the repayment of the Debt, together with all the interest thereon the payment of all other sums due and set forth therein advanced in accordance herewith to protect the security of this Mortgage and the performance of the covenants and agreements of Borrower herein contained and (b) the repayment of any future advances with interest thereon made by Lender pursuant to paragraph 11 hereof (herein "Future Advances") Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Okaloosa State of Florida

Unit 504D, Jetty East, Unit 81, a Condominium, according to Declaration of Condominium as recorded in Official Records Book 826, Page 878 and Plat as recorded in Condominium Plat Book 1, Pages 133 to 145, inclusive, in the office of the Clerk of the Circuit Court of Okaloosa County, Florida.

RECORDED BY 274 IN PARCEL OF CLASS "D"  
MORTGAGE, PLAT 826 - PARCELS 10  
CLERK OF CIRCUIT COURT  
OKALOOSA COUNTY FLORIDA



which has the address of \_\_\_\_\_ (herein "Property Address").

Together with all the improvements now or hereafter erected on the property and all easements, rights, appurtenances, rents, royalties, mineral and non-mineral rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the property, all of which including a plat map and address thereon shall be deemed to be and to constitute a part of the property covered by this Mortgage and all of the foregoing together with said property (or the beneficial use of this Mortgage) is and shall be deemed to be the Property.

Borrower warrants that Borrower is lawfully married in the State of Florida and has the right to mortgage, grant and convey the Property that the Property is not subject and that Borrower will execute and deliver to Lender all documents and instruments necessary to carry out the terms of this Mortgage, including a plat map and address thereon.

RECEIPT ON DEPOSIT OFFER TO PURCHASE (CONTINUED FROM PAGE 1)  
FORT WALTON BEACH BOARD OF REALTORS



DATE 8/28/8

RECEIPT is hereby acknowledged by Freeman Realty

A Registered Real Estate Broker, hereinafter called REALTOR, the sum of one thousand  
dollar \$ 1000.00 ) check  cash  other  from

Bill Boner  
hereinafter called Buyer, as an earnest money deposit on account of offer to purchase the property of  
H.C. Kirk

hereinafter called Seller, said property situated in the County of Chalco, State of Florida. Address and  
Legal Description: Jetty East Condo Unit 504 A and 504-B  
500 Gulfshore Drive, Destin, Fla

Purchase Price	\$ <u>167,000</u>	\$ <u>167,000</u>	**Deferred Payments
Plus Estimated closing costs and prepayments (Not including prepaid interest)*	\$ <u>1,000</u>	\$ <u>168,000</u>	Buyer to assume first mortgage of approximately \$136,000. Equity of \$32,000 to be paid on closing.
Total Transaction Price	\$ <u>169,000</u>	\$ <u>168,000</u>	
Less (FHA VA Conv) Mortgage to be applied for	\$ <u>0</u>	\$ <u>0</u>	
Less Approximate mortgage to be assumed	\$ <u>136,000</u>	\$ <u>136,000</u>	
Less Deferred payments to seller**	\$ <u>3,000</u>	\$ <u>3,000</u>	
Total Cash Requirement	\$ <u>36,000</u>	\$ <u>36,000</u>	
Less Cash hereinabove received	\$ <u>1,000</u>	\$ <u>1,000</u>	
Balance due on closing	\$ <u>35,000</u>	\$ <u>35,000</u>	Est. Monthly Payment \$ <u>1,959.00</u>

\* At Such Time as this transaction is closed, certain items may be required in the form of closing costs. Listed below are the major closing cost items ordinarily found in a transaction. Checked are those items which may be payable pursuant to the contract which you are about to sign.

Appraisal Fee	To Be Paid By Seller <input type="checkbox"/>	To Be Paid By Buyer <input type="checkbox"/>	Transfer fee, Mtg. Origination Fee, Mtg. Discount Points, Mtg. Termite Inspection	To Be Paid By Seller <input type="checkbox"/>	To Be Paid By Buyer <input type="checkbox"/>	Deed/Asgmt, Doc Stamps	To Be Paid By Seller <input type="checkbox"/>	To Be Paid By Buyer <input type="checkbox"/>
Credit Report	<input type="checkbox"/>	<input type="checkbox"/>	Escrow Preparation	<input type="checkbox"/>	<input type="checkbox"/>	Deed, Recording Fee	<input type="checkbox"/>	<input type="checkbox"/>
Survey	<input type="checkbox"/>	<input type="checkbox"/>	Hazard Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Mtg, Doc Stamps	<input type="checkbox"/>	<input type="checkbox"/>
Abstract Continuation Title Opinion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Other Provisions	<input type="checkbox"/>	<input type="checkbox"/>	Mtg, Intangible Tax	<input type="checkbox"/>	<input type="checkbox"/>
Title Ins., Owner's Policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(Tax, Ins, Other)	<input type="checkbox"/>	<input type="checkbox"/>	Mtg, Recording Fee	<input type="checkbox"/>	<input type="checkbox"/>
Title Ins., Mortgage's Policy	<input type="checkbox"/>	<input type="checkbox"/>	<u>pro-rated</u>	<input type="checkbox"/>	<input type="checkbox"/>	Attorney Fee	<input type="checkbox"/>	<input type="checkbox"/>

This is to further advise that the undersigned REALTOR being the person procuring the sale of the real property in question is the agent of the Seller and will be paid by the Seller. Buyer acknowledges that this instrument has been read and signed before any Contract for Sale and Purchase of the real estate hereon and that the same has been signed.

Dated this 28 day of August, 1988 BUYER (S)

1. PRORATIONS All taxes for the current year, realtor, monthly mortgage insurance premiums, hazard insurance premiums and interest on existing mortgages (if any) shall be pro-rated as of the date of closing. If purchase price includes the assumption of a mortgage with funds in escrow for payment of taxes, insurance or other charges, the BUYER agrees to reimburse the SELLER for said escrowed funds occupied by BUYER at closing, with all mortgage payments to be paid by the SELLER until the time of closing. Maintenance fee, pro-rated and taxes to be pro-rated as of day of closing

2. Occupancy will be given Buyer on closing. If Buyer takes occupancy before closing, he shall pay rent at the rate of \$ 100 per day payable monthly in advance, from date of occupancy until closing, none of which rent shall be credited toward the purchase price or Buyer's cost. If for any reason Buyer vacates the premises before closing, he shall restore the property to the same condition as when he took occupancy. Seller will maintain hazard insurance coverage until closing. Buyer will provide his own contents and liability coverage if desired. Any casualty loss prior to closing shall be paid to the Seller. At closing, Buyer shall provide new hazard coverage with paid invoice and Seller shall cancel his coverage unless negotiated otherwise.

3. DEFAULT BY BUYER: If the said BUYER fails to perform the covenants herein contained within the time specified, SELLER shall have the option of all remedies available under the law to include, but not limited to (a) require specific performance on the part of BUYER, (b) bring suit against BUYER for damages resulting from the breach, (c) after deducting any funds expended for Buyer or Seller's processing cost, the Owner shall retain as liquidated damages one half of the remainder of the lender deposit. The remaining one half of net deposit shall be paid to the agent as compensation not to exceed the total amount of his commission.

4. Evidence of Title. The Seller shall furnish an abstract customarily acceptable by local attorneys extended and certified to date (liability limitation on said certification shall be not less than the purchase price) or a title insurance binder showing his title to be marketable. Re-certification of abstract shall be paid by the Seller. Title insurance policy, if obtained, will be paid by party (a) indicated above.

5. Examination of Title. The Buyer or his agent shall have 10 days within which to examine the said evidence of title. In the event examination of evidence of title reveals the title to be unmarketable, the Seller shall have a reasonable period of time within which to cure the defective defects in the title that render same unmarketable. The Seller hereby agrees to make every diligent effort to clear the title within 10 days of delivery of said notice, or closed as specified in part 10. Upon Seller's failure or inability to correct the unmarketability the Seller shall return the earnest money deposit to the Buyer upon demand and shall return the evidence of title to the Seller and all rights and liabilities on the part of the Buyer arising hereunder shall terminate. Upon return of said deposit under such conditions Seller shall pay neither the professional fee agreed upon, nor the event the Seller is able to furnish a title insurance binder or other evidence of the unmarketability of title without exceptions other than normal utility easements, current taxes, etc., this shall be proof of the marketability of title and Buyer shall accept said title.

1. **Kind of Loan** - purchase of interest-bearing shall be by Warrenty Bond of Assignment, has and clear of all encumbrances and taxes of record.

2. **Loan Being Applied For** - Buyer will make prompt, efficient and continuing efforts to qualify for said mortgage including furnishing the mortgage company all requested information, affidavits, instruments, statements, etc., incidental to qualification. After a reasonable time if Buyer is unable to qualify, he shall be refunded his earnest money deposit less cost incurred on his behalf such as credit report agency fees, appraiser's fee etc. and all parties shall be relieved of all responsibilities under this contract. The loan applied for shall bear the most minimum interest charges authorized as of date of closing. It is agreed that the final compliance inspection report by the FMA or VA Inspector shall constitute sufficient evidence of completion of the building and other improvements specified in the plans. The Seller shall pay amount in effect of date of closing.

3. **FMA Loan Being Applied For** - It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the seller has delivered to the purchaser a written statement issued by the Federal Housing Commissioner setting forth a value of not less than NA (including closing costs) which statement the seller hereby agrees to deliver to the purchaser promptly after such appraised value statement is made available to the seller. The purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the appraised valuation made by the Federal Housing Commissioner. Should contract purchase price exceed the FMA appraisal and Seller is willing to sell at the lower appraised valuation, Buyer hereby agrees he will consummate sale at the lower price. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. MUD does not warrant the value or the condition of the property. The purchaser should satisfy himself/herself that the price and the condition of the property are acceptable.

4. **VA Loan Being Applied For** - It is expressly agreed that, notwithstanding any other provisions of this contract, the Buyer shall not incur any penalty by forfeiture of earnest money or otherwise, or be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the Veterans Administration; the Buyer shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the reasonable value established by the VA and Seller is willing to sell at the lower appraised valuation. Buyer agrees he will consummate the sale at the lower price.

5. **How Home To Be Built** - The Seller agrees to cause said dwelling to be completed and ready for occupancy by the Buyer within NA months from the date of this contract, weather permitting, and in the event said dwelling is not completed within the time above specified, the Seller or the REALTOR shall, at the option of the Buyer, refund to the Buyer the aforementioned earnest money deposit and this contract shall thereupon be null and void and of no further force and effect. The contract price includes costs of construction loan financing. The Seller agrees to pay any special assessments for improvement bonds on the real property herein described including those payable in the future, for improvements included in the plans and specifications on file with FMA/VA, commenced or completed at the time of final closing such as streets, curbs, gutters and sewers that are actually included in said plans and specifications, and all fees for special assessments or improvement bonds otherwise incurred or imposed shall be paid for by Buyer.

6. **All Heating, Air Conditioning, Electrical, Plumbing & Mechanical Systems, Appliances, Equipment and Lawn Pumps** shall be in normal working order at the time of closing. Buyer shall satisfy himself as to the normal working order of these items prior to closing.

7. **In Any Law Suit Between the Seller and the Buyer** relating to this contract, the prevailing party shall be entitled to recover reasonable attorneys fees.

8. **Survey** - If the Buyer desires a survey, he shall have the property surveyed at his expense prior to closing. If the survey shows an encroachment, the same shall be treated as a title defect.

9. **No representations, guarantees, or warranties of any nature whatsoever** which are not herein expressed have been made by any party hereto or their representatives. Both the Buyer and Seller acknowledge that any statement, oral or written, as to the amount of square feet in the house is an estimate only and is not a material representation on which this contract is based.

10. **Making Time of Essence and Notices** - Time may be made the essence of this contract by notice in writing, stipulating a reasonable time for further performance. Any notice necessary under this agreement may be sent by mail to the last known address of the party to be notified. This transaction shall be closed on or before Reasonable time as set by closing agent.

11. **Termination Clause** - Prior to closing, at Buyer's expense, the Buyer shall have the right to have the property inspected by a licensed exterminating company to determine whether there is any active termite or wood destroying organism in any improvements on the property, or any damage from other termites or wood destroying organisms to said improvements. if there is any active termite or wood destroying organism on the property, the Buyer shall pay all costs of (treating) and (remediation) of the property and improvements which are infested or have been damaged; however, if the cost to be incurred are more than three percent (3%) of the purchase price, the Seller may offer to convey said property in its present condition with the purchase price reduced by the estimated costs to be incurred, if such offer is accepted and agreed to, in writing, by the Buyer, or Seller may decline this agreement null and void and all monies deposited will be refunded. In the event the Buyer refuses to accept said property in its present condition with the purchase price reduced by the estimated costs to be incurred, then the Buyer shall so notify the Broker and Seller, in writing, within 10 days, and this agreement will be considered null and void and all monies deposited will be refunded, otherwise, the same shall be in full force and effect. In the event Seller elects not to convey the property for the purchase price reduced by the estimated costs of treatment, repairs and/or replacements, the Broker shall, nevertheless, be entitled to the fee for professional services rendered which would otherwise have been due if said sale had been completed. In the event damage exceeds ten percent (10%) of the purchase price, Buyer may terminate this contract.

12. **Typewritten or Handwritten Provisions** inserted in this form shall supersede any and all printed provisions in conflict therewith. **SPECIAL PROVISIONS:**  
(a) Sale price shall include all furnishings as is subject to # 11 above.  
(b) Any exceptions to be given in writing and attached to contract.

THIS INSTRUMENT shall become effective as a contract when signed by Agent, Buyer and Seller. If not executed by all parties on or before NOV 11, 1981 any moneys deposited shall be refunded and the proposed transaction shall terminate.

By Freeman Realty Broker or Agent. By Bill Ross  
WITNESS: Walter Hunt BUYER: I (we) have read this contract prior to signing it  
William H. Brown (SEAL)  
John H. Smith (SEAL)

I, or we, agree to sell the above mentioned property to the above named Buyer or his nominee on the terms and conditions stated in the above instrument and by the signature attached on the 5th day of Sept 1981 signify my acceptance and approval of the proposed sale. Seller acknowledges the employment of the Realtor, Beaumont Brock and Inc and agrees to pay the Realtor a professional fee for services rendered, in accordance with the listing and/or separate agreement.

WITNESSES: Leslie P. Reine SELLER: I (we) have read the contract prior to signing it  
Henry Carter (SEAL)  
William H. Smith (SEAL)

BUYER'S CLOSING STATEMENT

Buyer: WILLIAM HILL BONER, JOSEPH HAROLD SHANKLE, and RONALD PRESTON BOYLE  
 Seller: HENRY CARTER KIRK and KAREN M. KIRK, husband and wife  
 Property: Apart. No. 504-D JETTY EAST, Unit 1, Okaloosa County, FL  
 Date: October 23, 1981

81-1986	Debit	Credit
Purchase Price	\$167,000.00	
First Federal Sav & Loan - Defuniak Springs Loan #63602 Balance Assumed		\$135,827.17
Earnest Money Deposit		1,000.00
Pro-ration 1981 Taxes 295 days @ 1.91/day		563.45
Pro-ration Assessment Fee 295 days @ .21/day		61.95
Pro-ration Maintenance Fees 9 days @ 3.23/day	29.07	
Pro-ration October Interest 22 days @ 57.68		1,268.96
<u>Expenses:</u>		
Title Insurance	770.00	
Record Assignment	16.00	
Holiday Isle Improvement Assoc: Transfer Fee	10.00	
First Federal Savings and Loan:		
Mortgage Transfer Fee	2,716.54	
November Mortgage Payment	1,901.12	
Credit Report	116.50	
Statement Account Deposit	1.00	
Total Debits and Credits	\$172,560.23	\$138,721.53
Balance due from BUYER		<u>33,838.70</u>
GRAND TOTALS	\$172,560.23	\$172,560.23

We do hereby certify the above to be a true and correct accounting of all funds involved in the above transaction.

## SECURITY TITLE AND ABSTRACT

By: \_\_\_\_\_  
Closing Officer

The correctness of the above statement and receipt of copy of same is hereby acknowledged.

*William Hill Boner*  
William Hill Boner

*Joseph Harold Shankle*  
Joseph Harold Shankle

*Ronald Preston Boyle*  
Ronald Preston Boyle

RE: Apartment 504-D of JETTY EAST, UNIT I, a Condominium according to the Declaration of Condominium thereof, recorded in Official Records Book 826, Page 878, of the Public Records of Okaloosa County, Florida, on the 19th day of December, A.D., 1975, together with all of its appurtenances according to said Declaration. Together with Mortgagor's leasehold estate in the above described apartment, the term of which leasehold estate extends until September 1, 2060, including all rights to renew or extend the said leasehold estate insofar as it pertains to the aforementioned apartment, the terms of said leasehold being more particularly described in Paragraph I-8 of the Declaration of Condominium cited above.

STC FILE #: 81-1986

Please be advised that at this time we are unable to determine the 1981 Real Property Taxes. We have prorated the taxes for the closing of the described property sale based on the 1980 Real Property Taxes which were paid in the amount of \$698.24 .

Upon receipt of the 1981 tax bill by the buyer, it is understood and agreed that if these taxes are in excess of the above amount, the seller shall reimburse the buyer his prorated share from January 1, 1981 to October 23, 1981; if they are less, buyer shall reimburse seller.

SELLER:

  
Henry Carter Kirk

  
Karen M. Kirk

BUYER:

  
William Hill Boner

  
Joseph Harold Shankle

  
Ronald Preston Boyle

Date: October 22, 1981

Date: October 23, 1981



## B &amp; S Enterprises

ADDRESS: 614 Russell St.DATE OF PURCHASE: 11-23-81AMT. OF PURCHASE: \$21,000PURCHASED FROM: Rollie L. Woodall, Guardian (Bill Colson Realty)PURCHASE AGREEMENT: \$21,000 paid by Harold ShankleAMT. SOLD FOR: \$42,000SOLD TO: Jim Stansell (Jim Stevens Realty)

Date Sold: 3-19-83

FINANCIAL AGREEMENT OF SALE: \$10,647.20 cash to sellers  
Sellers to carry note for \$31,500 to be paid quarterly in the  
amt. of \$2,448.69 10 3/4 % per annum for 4 yrs.IMPROVEMENTS:Making upstairs into Apt. & remodeling the house  
\$17,500.00 and \$6,277.37

## B &amp; S Enterprises

ADDRESS: 1413 StrattonDATE OF PURCHASE: 11-28-81AMT. OF PURCHASE: \$30,000PURCHASED FROM: Frances Lindler (Frank Roberts Realty)  
S.E. Stafford, Jr., Conservator of Frances LindlerPURCHASE AGREEMENT: Borrowed \$30,000 from United American BankAMT. SOLD FOR: \$72,000SOLD TO: Manuel AlveloDATE SOLD: 4-22-83FINANCIAL AGREEMENT OF SALE: Sold By Jim Stevens Realty  
Cash to

Seller \$9,830.53

Seller carries loan of \$54,000 at 10 3/4 %  
to repay Quarterly \$4,983.75 for 12 installments Final payment 4-85IMPROVEMENTS: Mr. Alvelo sold property 5-15-84 Paid us \$39,507.34

Additional Apt. &amp; Remolding \$16,973.00 &amp; \$1,897.94

## B &amp; S Enterprises

ADDRESS: 2115 Early Ave.DATE OF PURCHASE: 3-5-82AMT. OF PURCHASE: \$37,500PURCHASED FROM: Larry Stovall (Bill Dorris Realty)PURCHASE AGREEMENT: \$5,331.13 cash to Seller & seller carries  
Date Sold: 12-21-84 MortgageAMT. SOLD FOR: \$36,100SOLD TO: James R. Watts (Jim Stevens Realty)FINANCIAL AGREEMENT OF SALE: \$30,796.56 cash paid to seller  
Seller pays off Larry StovallIMPROVEMENTS:

## B &amp; S Enterprises

ADDRESS: 2034 GreenwoodDATE OF PURCHASE: 3-24-82AMT. OF PURCHASE: \$23,500PURCHASED FROM: J. Trawick Green (Jim Stevens Realty)PURCHASE AGREEMENT: \$23,567.60 Cash to SellerDate Sold: 7-16-83AMT. SOLD FOR: \$38,600SOLD TO: Bud Calvin (Jim Stevens Realty)FINANCIAL AGREEMENT OF SALE: \$4,030.52 Cash paid to Seller & seller  
carries loan of \$28,950 to repay quarterly at 11 1/2% per annum11-9-85 Bud Calvin paid off his loan with B & S Enterprises in the  
Amt. of \$27,211.74--B & S paid that amt. to 1st AmericanIMPROVEMENTS:

Made upstairs Apt. &amp; Remolded downstairs \$19,500

B & S Enterprises

ADDRESS: 943 Russell St.

DATE OF PURCHASE: 7-2-82

AMT. OF PURCHASE: \$85,000

PURCHASED FROM: Mr. Lee Long (owner)

PURCHASE AGREEMENT: \$5,000 down, assumed \$15,000 loan, & owner carried Note of \$65,000

AMT. SOLD FOR: \$92,500

SOLD TO: David Rawlings & Greer Tidwell of Hunter Properties

DATE SOLD: 6-24-83

FINANCIAL AGREEMENT OF SALE: Sold by Jim Stevens Realty

Cash to seller \$13,551.10 & buyer to assume loan with Lee Long

IMPROVEMENTS: Estimates

\$12,877.76 for Remolding

*92,500 Cash to Seller should*  
*85,000*  


---

*7,500*  
*12,877.76* *Rebid by*  


---

*15,377.76* *less* *119,942*  


---

*See B-7*

## B &amp; S Enterprises

Misc. Information

\$7,205.31 for Construction & Labor on B & S Enterprises Properties

\$12,000 Loan with 1st American  
(unsecured by a property)

Loan with United Southern Bank \$155,000

( Amt. paid to FDIC \$ 38,480.98      10 part of the \$155,000)



At maturity, this Note may be renewed at the option of the Holder, with or without a reduction, without the necessity of signing a new Note

PROMISSORY NOTE AND SECURITY AGREEMENT

155,000.00 NASHVILLE Tennessee AUGUST 27, 1982

FOR VALUE RECEIVED the undersigned hereinafter sometimes referred to as "Maker" jointly and severally (if more than one Maker) promises to pay to the order of UNITED SOUTHERN BANK OF NASHVILLE (hereinafter referred to as "Holder", "Bank", or "US BANK") at any of its banking offices ONE HUNDRED FIFTY FIVE THOUSAND DOLLARS AND NO/100

INCIPAL PAYMENT SCHEDULE This loan is payable on demand and if there is no demand by Bank this loan is payable as follows (check one) [X] One payment in full 90 Days after date of note [ ] Other

INTEREST PAYMENT SCHEDULE Interest accrues from date of note and is payable as follows (check one) [ ] in advance, [ ] monthly [ ] quarterly [ ] semi-annually; [ ] annually; at maturity [ ] other

INTEREST COMPUTATION Interest is computed on a (check one) [X] 360 [ ] 365 day year basis at the rate of PAID NOV 1985 [ ] BASE RATE of US Bank as it changes, plus, [ ] % per annum. (check one) [ ] % per annum [ ] Other

At the expiration of the term hereof this Note shall bear interest at the MAXIMUM RATE PERMITTED BY LAW All payments shall be made in full without deduction of any amount other than principal amount of the parties upon the renewal or extension of this note, the interest rate may be changed to any rate permissible at the time the contract is made this loan was made at the time this loan was made or at the time of such renewal or extension.

DEFINITIONS The term "Holder" as used herein shall mean Bank or any subsequent person firm or corporation who is in possession of this Note by reason of endorsement or assignment by Bank The term "Maker" as used herein shall mean all persons jointly and severally who sign this Note including all endorsers The term "Liabilities" as used herein shall mean this Note any extensions renewals or modifications hereof and any and all other debts now existing or hereafter incurred by Maker or any person and owing to Holder The Base Rate and the Prime Rate of US Bank shall be one and the same and the same may be used interchangeably Base Rate of US Bank shall mean that rate of interest which is designated by the Bank from time to time as its Base Rate The Base Rate is maintained by the loan operations department of the Bank and is available upon request to borrowers during normal business hours If for any reason the accrual of interest on a loan at the Base Rate is voided by a court of competent jurisdiction or if such court finds that the Base Rate of the Bank is some rate other than the rate designated by the Bank as its Base Rate then any loan made by the Bank shall be deemed to have accrued interest since its execution at the highest rate permitted by law In no event shall the interest rate on any loan exceed the maximum rate of interest allowed by law as such law in effect at the time this instrument is executed or as the law may be amended or changed subsequently The interest rate on this note if variable with the Base Rate, shall be adjusted on the same day as any change in the Base Rate

ACCELERATION Upon the occurrence of any event of default as hereinafter set forth or at any time the Holder hereof deems itself insecure HOLDER MAY DECLARE ALL OBLIGATIONS EVIDENCED OR SECURED HEREBY IMMEDIATELY DUE AND PAYABLE without presentment demand protest notice of non-payment of any or all of the hereinbefore referred to Liabilities or notice of any kind and of which are hereby expressly WAIVED Upon such ACCELERATION by default there shall be NO Credit refund of the unpaid portion of the FINANCE CHARGE Maker (jointly and severally if more than one) agrees to pay reasonable ATTORNEY'S FEES, if this Note is referred to an attorney in any reason and further agrees to pay all costs of collection and court costs.

WARRANTY The undersigned hereby WAIVE AND RENOUNCE any rights they may have under any and all homestead and exemption laws now in force or which may hereafter be passed by any state or the United States, insofar as such rights may be waived.

DISPOSITION OF PROCEEDS Maker warrants that proceeds of the loan will be used for personal family or household use [ ] agricultural [ ] or business [X] The hereinafter listed Collateral has been or will be purchased with the proceeds hereof [ ] (check if applicable)

PREPAYMENT A Credit refund of unearned interest will be given on a pro rata basis in the event of prepayment in full prior to the expiration of the term hereof

JOINT INTEREST Maker hereby grants unto Holder a security interest in the following described property and all accessories or additions thereto (herein referred to as "Collateral") as collateral security for this loan Maker agrees that this Note any extensions renewals or modifications hereof and any and all other debts whether direct or indirect, due or contingent due or to become due or to become due of Maker including all attorneys fees court costs and expenses of whatever kind incident to the collection of said indebtedness the enforcement and protection of the security interest created hereby and all future advances made by Bank for taxes levies insurance and repairs to or maintenance of the collateral (collectively referred to as "Liabilities") NOW EXISTING OR HEREFTER INCURRED are secured by the Collateral and by all property now or hereafter in the possession or pledged to Holder or in which Holder has or may acquire a Security interest or lien including all monies and amounts now or hereafter deposited by Maker or any person in the possession of or in deposit with Holder AND INCLUDING ALL INCOME CASH STOCKS AND OTHER DIVIDENDS PAID ON ALL SECURITIES RECEIVED IN EXCHANGE FOR OR IN EXCHANGE FOR AND ALL RIGHTS TO SUBSTITUTE FOR SECURITIES INCIDENT TO ANY OF THE COLLATERAL The security interest herein granted or to be granted to Holder or in which Holder has or may acquire a Security interest or lien shall be a security interest in Collateral prior to the date hereof or if any instrument executed by the undersigned or the undersigned has been negotiated or assigned to holder and the indebtedness secured hereby now remains unpaid, said Collateral shall be AS COLLATERAL HEREFOR AS WELL.

SECURITY INTEREST [ ] The loan is unsecured [ ] A security interest is retained in the following property [ ] Good of Trust on the following property [ ] Other security as follows

Deed of Trust of record in Book Page Register Office of the Deed Recorder, Davidson County, TN

DAMAGE INSURANCE If the loan evidenced hereby is in excess of Three Hundred (\$300.00) Dollars and is secured by PAID the Maker agrees to obtain full coverage against all loss of damage to the Collateral and with any loss payable to Holder and agrees to furnish Holder evidence of such insurance coverage MAKER MAY USE THE PERSON THROUGH WHOM SUCH INSURANCE IS OBTAINED Maker reserves the right to cause acceptance of insurance coverage through such person upon reasonable cause Should Maker fail to obtain and keep in effect such insurance coverage Holder may at its option obtain such coverage for its own protection at the Maker's expense and payment of the premiums therefor by Maker shall be secured hereby Maker hereby directs any such insurance proceeds to be paid directly to the Maker for any return of unearned premiums and hereby appoints Holder as attorney-in fact to endorse any check, draft or order on any proceeds of loss and all such money so paid by Holder shall be applied toward the indebtedness of Maker to Holder its successors or assigns. Any such policy shall provide for at least ten (10) days written notice to the insurance carrier of pending cancellation or alteration of said policy.

IF COLLATERAL The Collateral is used or will be used for personal, family or household use [ ] agricultural [ ] or business [ ] Federal Deposit Insurance Corp. LOCATION OF COLLATERAL The Collateral is located or last at (complete address) it is not be permanently moved without the knowledge and express prior written approval of Holder

THIS AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HERE- THE SAME BEING INCORPORATED HEREIN BY REFERENCE.

MAKER AGREES TO THE TERMS AND PROVISIONS HEREOF AND ACKNOWLEDGES RECEIPT OF A COM- PLETE, FILLED-IN COPY OF THE NOTE, THIS THE DATE FIRST ABOVE WRITTEN.

D. BOY 60685 ASHVILLE, TN. 37206 [Signatures]

US BANK OF NASHVILLE Post Office Box 2508 Nashville, Tennessee 37202

DISPOSITION OF PROCEEDS CREDIT ACCOUNT NUMBER 0063367 RENEWAL OF NOTE NUMBER

NEAR PAYOFF 12727, 12945, 12056 THROUGH 8/27/82

011543      B & S ENTERPRISES # 151013035      361

PO BOX 6066  
NASHVILLE, TENNESSEE 37208

0336 0322 07 08-05-84 July 31, 1984 07-228 640 1

PAY TO THE ORDER OF Federal Deposit Insurance Corp. \$34480.98

Thirty-four thousand four hundred eighty and 98/100 DOLLARS

1281

UNITED AMERICAN BANK  
NASHVILLE, TENNESSEE

FOR PAID IN FULL ASSET # 151013035 *[Signature]*

⑆000366⑆ ⑆0064002280⑆ 0 06396 2⑆ ⑆0003448098

FRB NASHVILLE      CEM000101  
0336 0322 07 08-06-84 2121060539

For Deposit Only  
First Tennessee Bank  
Knoxville, TN  
FDIC Liquidator of  
1-Nashville AP-342  
04-1211-9

AG 84 03  
FIRST TENNESSEE BANK  
NASHVILLE, TENNESSEE  
BKA BY ANY BANK


WILLIAM H. BOWEN  
PO BOX 8888  
NASHVILLE, TN 37208

1601

July 31 1984 ~~84~~

PAY TO THE ORDER OF B + D Enterprises \$17,246.49

Seventeen thousand two hundred forty and 49/100 dollars

 **First American Bank**  
Nashville, Tennessee

FOR W. H. Bowen

⑆064000017⑆1601 ⑆508 428 1⑆ ⑆0001724049⑆

AUG 0 2 84

87228

AG 84 02

PROCESSE

87228

PAY TO THE ORDER OF BANKER

87228

FOR DEPOSIT ONLY

UNITED AMERICAN BANK

MAIN OFFICE

NASHVILLE, TENNESSEE

B + D ENTERPRISES

008336

AG 84 02

87228

87228

87228

DEBBIE J. CH. J. HAROLD SHANKLE  
 326 PATTON AVE. UNIT 2 824-1818  
 MEMPHIS, TENN. 38114-3079

PAY TO THE ORDER OF *Bill Polun Co.* \$ *3,150.00*  
*Three Thousand one Hundred and Fifty + 00/100 DOLLARS*

614  
 600 1/2  
 6th St. UNITED AMERICAN BANK  
 MEMPHIS, TENN.

FOR *Deposit on only*

⑆064002280⑆ 2 30876 6⑆ 0227

*227*

*last  
Friday*

*11-13-81*

Ⓟ





**BILL COLSON**

**AUCTION & REALTY CO., INC.**

**REAL ESTATE • STOCK LIQUIDATIONS • FARM MACHINERY • ANTIQUES**

**"Most Money In The Shortest Time"**

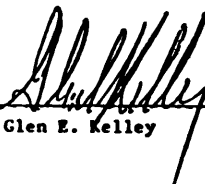
**2012 BEECH AVE. • NASHVILLE, TN. 37204 • PHONE 292-6619**



Nov. 23, 1981

Received of Harold Shankle, check to Davidson County Court in the amount of \$17,860.00 in payment of balance of purchase price of house and lot at 614 Russell Street.

If the Davidson County Probate Court should fail to approve the sale of this property the total purchase price (\$21,000.) is to be returned to the purchaser.

  
\_\_\_\_\_  
Glen E. Kelley

**RECEIVED**

**NOV 23 1981**

**REALS**



BILL McPHERSON, CLERK

Equity # 61771 No 21173

Received of Bill Colson Realty Co. of Nashville, Tenn. November 23, 1981  
Kangyphi vs Colon B. Gregory William Conner  
Twenty-One thousand and no/100 DOLLARS  
purchase of property at public sale - 619 Russell  
\$21,000.00  
 BY Bill McPHERSON, Clerk  
F. Spiller Campbell, Jr. C.



First American

Cashier's Check

First American Bank  
Nashville Tennessee 37237

02-069566

87-1  
640

Remitter Bill Colson Realty

November 23

1981

Pay to the Order of Bill Mc Pherson, Davidson County Court Clerk

\$3,150.00

The sum of Three thousand one hundred and 00/100 DOLLARS

Purchaser's Receipt

Non-NEGOTIABLE

*[Handwritten signature]*

21,000

MASTER NOTE  
REQUEST FOR DRAW

Draw Amount \$ 21,567.74

United American Bank  
200 Fourth Avenue, North  
Nashville, Tennessee 37219

Gentlemen:

Under the terms and conditions of that certain Master Note in file dated \_\_\_\_\_  
(Note) in the amount of \_\_\_\_\_  
the undersigned (as Maker and/or Guarantor(s) of the Note) hereby apply(s) for a  
draw of \$ \_\_\_\_\_, at \_\_\_\_\_ % per annum,  
under the terms and conditions of the Note.

The undersigned hereby represents to you and acknowledges that the under-  
signed has the power and authority to make this draw under the Note, (2) has re-  
ceived the proceeds of the draw requested hereunder pursuant to the terms and con-  
ditions of the Note, (3) has not committed or permitted to occur any violation or  
breach of any of the terms and conditions of the Note or any loan agreement pur-  
suant to which the Note was executed and delivered, and (4) will pay interest on this  
draw in accordance with the stipulated interest rate in the Note.

\_\_\_\_\_  
\_\_\_\_\_

Date: 12-1-81

William H. Person  
J. H. [Signature]

FOR BANK USE	
Amount of Master Note	\$ _____
Amounts previously drawn	\$ _____
This draw	\$ _____
New balance	\$ _____
Available for future draws	\$ _____

610 11377

Name: 242 Corporation Note No. 10456 \$ 100,000.00  
 Address: P.O. Box 60685 Interest Rate 14 1/2% Officer 28  
 Bor. No. 0035989 Date 12-4-81

Payable: 12-4-82 int. quarterly

Date Paid	Int. pd. thro	Advances	Int. Paid	Int. Due	Principal Paid	Loan Balance
ECB 1981		21,150.74	12-4-81			21,150.74
DEC 1 1981		5,000.00	12-7-81			26,150.74
		25,000.00				51,150.74
		5,000.00				56,150.74
		26,000.00				82,150.74
	3-4-82		2,120.84			84,271.58
	11-3-82	17,349.26				101,620.84
	5-4-82		4,398.80			106,019.64

2010-01

Name: B.S. Enterprises Note No. 12727 \$ 30,000.00  
 Address: \_\_\_\_\_ Interest Rate 15 1/2% Officer 28  
 Bor. No. 0035989 Date 4-30-82

Payable: 7-29-82 90 days

Date Paid	Int. pd. thro	Advances	Int. Paid	Int. Due	Principal Paid	Loan Balance
16 05 1982	7-29-82	30,000.00				30,000.00

Name: B.S. Enterprises Note No. 12895 \$ 5,000.00  
 Address: P.O. Box 60685, Nashville, TN 37206 Interest Rate 15 1/2% Officer 102  
 Bor. No. 0035989 Date 7-6-82

Date Paid	Int. pd. thro	Advances	Int. Paid	Int. Due	Principal Paid	Loan Balance

**B & S ENTERPRISES**  
 PO BOX 60490  
 NASHVILLE, TENNESSEE 37208


129

87-228  
636 1

----- *Month 5* 1982

PAY TO THE ORDER OF J. Harold Shankle Const. Co. \$ 17,500.<sup>00</sup>/<sub>100</sub>

Seventeen thousand five hundred and 00/100 DOLLARS

  
**UNITED AMERICAN BANK**  
 NASHVILLE, TENNESSEE

FOR DEPOSIT AT 614 RUSSELL ST

*J. H. Shankle*

#000129# -#064002280# 0 00336 2# #0001750000#

PAY TO THE ORDER OF  
 ed JOURNAL TO BANK  
 RECEIVED 1001-10-1  
 FOR DEPOSIT BY  
 HAROLD SHANKLE CO., INC.  
 0-030437



Recreation Vehicle Industry Association

P.O. Box 299 • 19020 • Leesport, Pa. • Phone 717-279-0100 • FAX 717-279-0003

January 28, 1986

Honorable Bill Boner  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Bill:

In the last several months, I have been asked several times about the details of the occasion in 1983 when you used one of the motor homes RVIA had available for use. I thought it might be helpful if I put in writing some of the information we remember and what is reflected in our records.

On a number of occasions in 1981, 1982, and 1983, I asked you to try to arrange time to take a trip in an RV as our guest, so that you could have a better understanding of what the RV lifestyle is all about. This was especially important to us because of your leadership role in connection with the House of Representatives Caucus on Travel and Tourism. We feel that RVing is no longer a hobby, but is a very significant part of travel and tourism and should be recognized as such. In fact, there are over 8 million RVs privately owned in the U.S.

As a result of these invitations, you did contact us to use one of our RVs. It was our understanding that you wanted to use a motor home for four days, July 23, 24, 30, and 31, 1983. In order to accommodate our schedules, you picked the unit up on July 22 and returned it August 1, 1983. We understood that you were only going to be using the vehicle on the four days mentioned above, but it was not convenient for us to have the unit returned between July 24 and 30, since it was not scheduled for use.

You did ask us what the value of the use of this RV was and I have told you that I believe \$40 per day is a reasonable value. The vehicle you used was what we refer to as a "Type C" or a "Mini-motorhome." It was a Coachmen RV built on a Ford chassis.

If you need any further information, please let me know.

Sincerely,

David J. Humphreys  
President

- I. Contact with Aerospace Lobbyists
  - A. To develop possible high level contacts within aerospace companies.
  - B. To develop more definitive knowledge of their programs and future programs.
  - C. Assist in resolution of problems.
  - D. Generally get our name known in industry.
  
- II. Contact with D.O.D.
  - A. Public relations.
  - B. Broaden our ability to secure negotiated contracts.
  - C. Problem solving.
  
- III. Contact with Department of Commerce
  - A. Need to develop source of foreign users of our material.
  - B. Source of foreign suppliers.
  
- IV. Congressional Contact
  - A. Keep us informed of pending and enacted legislation affecting A.S.M.
  - B. Seek assistance when needed.
  
- V. Maintain Contact with National Small Business Association
  - / A. Keep us posted on projects of concern to us.
  - B. Get A.S.M. involved in national association.
  - C. Possibly get us involved personally.
  - D. Generally get us exposure.
  
- VI. Special Projects

**BOARD OF PROFESSIONAL RESPONSIBILITY**

OF THE  
**SUPREME COURT OF TENNESSEE**  
Burt Orr  
100 Summit Drive  
Nashville, Tennessee 37217

- (1) Indicate any changes on the attached CHANGE FORM (below)
- (2) Make your check or money order payable to BOARD OF PROFESSIONAL RESPONSIBILITY. Please write your Registration Number on your check or money order.
- (3) Return the Change Form and your payment in the enclosed return envelope

Betty Wynkoop Foulkes  
124 10th St N.E.  
Washington, DC 20002

**STATEMENT OF YEARLY REGISTRATION FEES**

\$ 45.00

REGISTRATION PERIOD IS JAN. 1 - MARCH 1

PLEASE REMOVE THIS CARD AND  
CARRY IT WITH YOU FOR EVIDENCE.

**Supreme Court of Tennessee**

Reg. No.  
9025

Betty Wynkoop Foulkes

EXPIRES March 1, 1985

Registration No. 9025

Status: Active

Expiration: 08-Aug-68

Year Licensed in TN: 80

Other States (State) (Year)

Statement to: Office

DATE PAID  
AMT PAID  
LEDGER PG

**CHANGE FORM**

Name: 616

Other: Betty Wynkoop Foulkes

124 10th St N.E.

Washington, DC 20002

Residence: 714 Russell St  
Davidson County  
Nashville, TN 37206

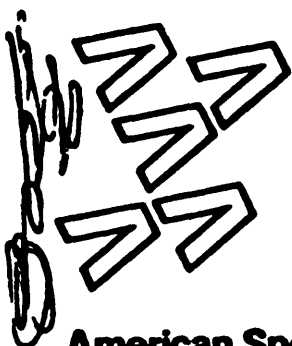
Law School: Yaca Night-Law-School

PLEASE ATTACH THIS PORTION AND RETURN WITH PAYMENT  
FOR RETURN ENVELOPE PROVIDED

If you, other association, change return  
information on the Board office by report  
1 month to claim suspension under section  
202 of the T.C. Bar Act

Circle only one above-See Rule 9(2)(7)

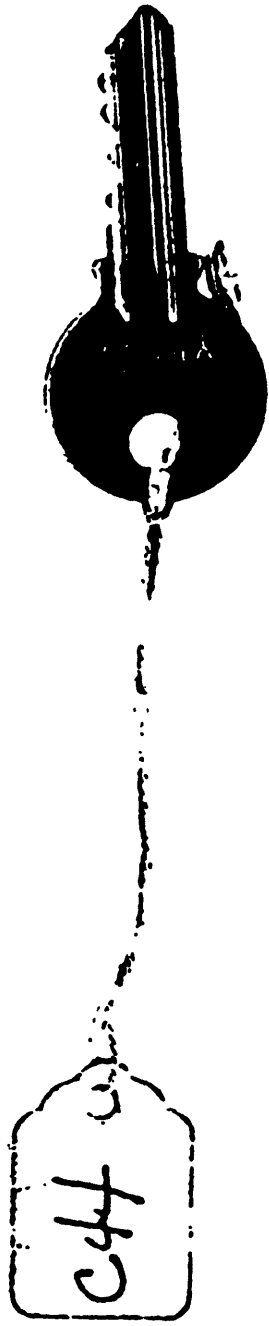




**Betty Fowlkes Boner**  
Legal Counsel  
(202) 544-4399

**American Specialty Metals, Inc.**

210 7th St.. S.E., Suite #C44  
Washington, DC 20003



Post office  
Box Key-

---

 INTEROFFICE MEMORANDUM
 

---

TO: J. W. Wellham  
 FROM: R. L. Koop  
 DATE: September 10, 1981  
 SUBJECT: Rockwell International - B-1 Program

Things look very positive at Rockwell and it looks like a "go" decision from Washington is forthcoming anyday. There is a lot of proposal work on the first ten ships presently being sent out. The appropriate buyers have been contacted and I indicated we would really like to bid on any titanium, steel or aluminum packages presently being sent out.

As you are aware, there is a great deal of 2219, 13-8, titanium as well as several other metal products used on these planes. For your information, the following are the major sub-contractors who will participate in this program. It would be to American Specialty Metal's benefit to contact these companies.

Rockwell Int'l. - Columbus, Ohio  
 General Electric - Engines  
 Vought - Dallas, Texas  
 Rockwell Int'l. - Tulsa, Oklahoma (Secondary Systems)  
 Avco - Nashville, TN (Wings) - I'm sure you are aware of this.  
 Cleveland Pneumatic - (Landing Gear)

Rockwell International in El Segundo will be responsible for the forward and intermediate fuselage. I will definitely make sure we get the exposure here which is needed.

If I find out any additional information, I will advise you accordingly.



5 8 02

Betty:

Attached is the list of companies  
which you requested this morning.  
If you need additional information,  
please call.

Joy

AVCO Corp., Aerostructures Div.  
P. O. Box 210  
Nashville, TN 37202

Boeing Aerospace Co.  
P. O. Box 3999  
Seattle, WA 98124

Boeing Vertol Co.  
P. O. Box 16857  
Philadelphia, PA 19142

Boeing Wichita  
3810 South Oliver  
Wichita, KN 67210

Fairchild-Burns Co.  
1455 Fairchild Rd.  
Winston-Salem, NC 27106

FMC Corporation  
4800 East River Road  
Minneapolis, MN 55421

Ford Aerospace  
3939 Fabian Way  
Palo Alto, CA 94303

Gen. Dynamics - Convair Div.  
P. O. Box 80818  
San Diego, CA 92138

General Dynamics  
P. O. Box 2507  
Pomona, CA 91766

Gulfstream American Corp.  
P. O. Box 2206  
Savannah, GA 31402

Hughes Aircraft Co.  
P. O. Box 11337  
Tucson, AZ 85734

Hughes H'Copter, Bldg. 15  
Centinela & Teale Sts.  
Culver City, CA 90230

Hughes Aircraft Co.  
P. O. Box 92049  
Los Angeles, CA 90009

Lockheed-California Co.  
P. O. Box 551, Dept. 55-50  
Burbank, CA 91520

Lockheed-Georgia Co.  
Box 102137-68 ANNEX  
Atlanta, GA 30368

Lockheed Aircraft Co.  
P. O. Box 33  
Ontario, CA 91761

Lockheed Missile & Space  
P. O. Box 504  
Sunnyvale, CA 94086

Martin-Marietta Aerospace  
P. O. Box 31/Accounting  
Denver, CO 80201

McDonnell-Douglas  
P. O. Box 2731  
Long Beach, CA 90843

McDonnell Douglas Corp.  
5301 Bolsa Avenue  
Huntington Beach, CA 92647

Murdock Machine  
P. O. Box 2278  
Irving, TX 75061

Northrop Corporation  
3901 W. Broadway  
Hawthorne, CA 90250

Parker-Hannifin Co.  
P. O. Box 4288  
Huntsville, AL 35802

Rockwell International  
12214 Lakewood Blvd.  
Downey, CA 90241

Rohr Industries  
P. O. Box 878  
Chula Vista, CA 92012

Rockwell International  
P. O. Box 92058  
Los Angeles, CA 90009

Page 2

Teledyne Ryan Aero.  
2701 Harbor Drive  
San Diego, CA 92138

Teledyne Lewisburg  
P. O. Box 326  
Lewisburg, TN 37091

Uni-Dynamics  
472 Paul Avenue  
Ferguson, MO 63135

Westinghouse  
Hendy Avenue  
Sunnyvale, CA 94088

LANGFORD, SWITZER & KING

ATTORNEYS AT LAW  
1700 HILLSBORO ROAD  
SUITE 400

NASHVILLE, TENNESSEE 37212

TELEPHONE  
(615) 252-7500

ROBERT M. LANGFORD  
BENNETT M. SWITZER  
DAVID L. KING  
CARY J. MITCHELL  
DONALD J. BERRIN  
BETTY FOWLER BOWEN

August 26, 1983

Mr. Bob Brown  
American Specialty Metals  
11 Main Street  
Nashville, TN 37213

RE: Government Relations Retainer Account of Langford,  
Switzer & King with American Specialty Metals

Dear Bob.

Pursuant to our earlier discussion, we are providing American Specialty Metals with the billing for the above referenced account by the fifteenth (15th) of each month so that you may have the invoices properly processed and a check prepared for us by the first (1st) of the following month. As we also discussed and for clarification purposes, we have listed below the areas of interest we will focus upon for receipt of the retainer.

- A Langford, Switzer and King will assign one attorney to be on call continuously to give advice and counsel to American Specialty Metals in all areas of governmental relations.
- B Langford, Switzer and King will track federal legislation to determine impact, if any, upon American Specialty Metals.
- C Langford, Switzer and King will monitor federal regulations and how any regulation changes may affect the metal industry and thus American Specialty Metals.

We will of course provide you monthly updates and reports as to the activities surrounding the above items. We will be more than happy to continue to work with you on specific matters as they arise.

Thank you again for giving us the opportunity to work with you as we are confident that our relationship will continue to be mutually beneficial. Should you have any additional questions or if I can assist you further, please do not hesitate to call.

Sincerely yours,

LANGFORD, SWITZER & KING

BY:

  
ROBERT M. LANGFORD

Mr. Bob Brown  
Page 2

P. S. I have enclosed for your review a brochure that we have received from Washington that may be helpful to you in your efforts to design an advertising piece of this nature.

mg





ON APRIL 18, 1963, BIDDING FOR \$2,000,000  
 \$1,000,000 FOR ITEM 1. THE J. HAROLD SHANKLE COMPANY'S BID WAS THE  
 LOWEST. WHEN REQUESTED TO CONFIRM ITS BID, THE COMPANY REPORTED A  
 MISTAKE. BY LETTER DATED APRIL 21, 1963, WITH SUPPORTING WORKSHEETS,  
 THE COMPANY CLAIMED ITS ESTIMATOR FAILED TO INCLUDE THE COST OF ASBESTOS  
 REMOVAL (\$60,400) IN HIS BID FOR ITEM 1. THE BID FORM REQUIRED SHOWING  
 THE COST OF THE ASBESTOS REMOVAL AS A SEPARATE ITEM "FOR INFORMATIONAL  
 PURPOSES ONLY" WHICH WAS DONE. SO THE AMOUNT OF THE ASBESTOS REMOVAL IS  
 EVIDENT ON THE FACE OF THE BID. THE ESTIMATOR'S WORK PAPERS SHOW THAT  
 HE PRICED THE JOB IN THREE SEPARATE STEPS (I, II & III). HIS  
 CALCULATIONS IN STEP I INCLUDE ALL BID ITEMS EXCEPT ASBESTOS REMOVAL AND  
 ALL THE ITEMS EXCLUDED IN BID ITEM II. HIS STEP 2 CALCULATIONS ALSO  
 EXCLUDE ASBESTOS REMOVAL AND REPRESENT HIS COST FOR WORK THAT WAS TO BE

EXCLUDED FROM BID ITEM 3. HIS BUMP THREE INCLUDES ONLY HIS COST FOR ASBESTOS REMOVAL. SUBSEQUENTLY, THE TOTAL AMOUNTS BIDDEN BY THE BIDDERS FOR EACH OF THESE ITEMS AGAIN THE AMOUNTS RECEIVED BY BID NO. 1, I.E., \$1,049,552, \$111,097, AND \$60,420. THE KEY TO VERIFICATION OF THE ALLEGED MISTAKE HERE IS THAT THE ESTIMATOR CONSISTENTLY TREATED ASBESTOS REMOVAL AS A SEPERATE ITEM. IT WAS NEVER MADE PART OF THE PRICING OF BID ITEM I OR II. SINCE ASBESTOS REMOVAL IS NOT SHOWN AS AN ELEMENT IN THE CALCULATION OF HIS \$1,049,552, BASE BID. WE CONCLUDE THAT THE WORKSHEETS CONFIRM CLEARLY AND CONVINCINGLY THAT A MISTAKE DID OCCUR AND ALSO THAT THE TOTAL AMOUNT OF THE INTENDED BID IS EQUALLY CLEAR, I.E., \$1,049,552 PLUS \$60,420 OR \$1,109,972. THE NEXT HIGHER BID IS \$1,120,000. CORRECTION OF SPANGLER'S BID TO \$1,109,972, THEREFORE, WILL NOT DISPLACE ANOTHER BIDDER BY A DIFFERENCE OF \$10,028. FPC 1-2.406-3(A)(2) PROVIDES THAT IF THE EVIDENCE IS CLEAR AND CONVINCING BOTH AS TO THE EXISTENCE OF A MISTAKE AND AS TO THE BID ACTUALLY INTENDED, AND IF THE BID, BOTH AS UNCORRECTED AND CORRECTED, IS THE

[REDACTED]

IS ADMINISTRATIVE DETERMINATION NUMBER AS-43: 93/90

AS  
025

cc: 9ORF, Day File, Mr. Cook 90

Ret  
SI  
93  
CS  
93

DATITCOMB/6-12-83 93

Medical Center

1310-24th Avenue, South  
Nashville, TN 37203



**Veterans  
Administration**

April 25, 1983

In Reply Refer To 626/90C

Assistant Deputy Administrator for  
Procurement and Supply (93)  
VA Central Office  
810 Vermont Avenue, N. W.  
Washington, DC 20420

*Can - 4 28-6  
due 5-9-83*

SUBJ: Alleged Mistake in Bid

In accordance with VAPR 8-2.406-3, we are forwarding documentation submitted by J. Harold Shankle Company as it relates to an alleged mistake in bid. The Contracting Officer has complied with the provisions of FPR 1-2.406-3. An administrative determination is requested.

LARRY E. DETERS  
Director

Enclosures: 7

- Bidder's Evidence Dated April 21, 1983
- Bid Dated April 15, 1983
- IFB Dated January 28, 1983
- Contents to Specification 626-024
- Abstract of Bids Dated April 15, 1983
- Contracting Officer's Memo Dated April 21, 1983
- Contracting Officer's Stmt. Dated April 25, 1983



# Memorandum

To To File

Date: April 21, 1983

Re: Alleged Mistake in Bid

1. I received a call from Ann Hysinger (Secretary, Director's Office) who stated that Mr. Shankle, J. Harold Shankle Company, and a representative from Bill Bonner's office had an appointment with Mr. Deters at 9:30 a.m. and wanted me to be available should there be questions relating to the construction project which Mr. Shankle had bid on.
2. At 9:30 a.m., I was requested to report to the Director's Office. Mr. Shankle and two representatives from Congressman Bonner's office were meeting with Mr. Deters in regard to an alleged mistake in bid.
3. Mr. Deters asked Mr. Shankle to start from the first and explain why he was there.
4. Mr. Shankle stated that his estimator had not entered the asbestos price in the grand total for Bid Item No. 1. He stated even though Bid Item No. 1 stated that the asbestos removal price was to be included with the base bid, it was not included. He went on to say the asbestos removal price was only shown in the space provided which states "For informational purposes only."
5. Mr. Shankle stated they had made a \$60,420 mistake. The \$60,420 should have been added to the base bid of \$1,049,552.
6. Mr. Shankle asked if there was anything that could be done to correct the error. He stated that Mrs. Cornelius of my office had requested a confirmation of his bid. I informed Mr. Shankle that if he had a mistake in his bid, there were provisions in our regulations for a review of his allegations and this review would have to be made in Washington.
7. We went to my office where I informed Mr. Shankle that he would have to support his allegations and submit all pertinent evidence, i.e., worksheets and other data supporting the preparation of his bid.
8. Prior to leaving, Mr. Shankle stated he would get a letter to me either today or tomorrow in regard to his bid.

*Ralph L. Tramel*  
 RALPH L. TRAMEL  
 Contracting Officer (90C)

U.S. GOVERNMENT PRINTING OFFICE: 1975



Veterans  
Administration

# Memorandum

To To File

Date April 25, 1983

Subject Statement of Contracting Officer,  
Alleged Mistake in Bid, Project  
No. 626-024

1. Expiration date of bid in question: May 15, 1983

2. On April 21, 1983, Mr. J. Harold Shankle, J. Harold Shankle Company, notified the Contracting Officer, Ralph L. Tramel, of an alleged mistake in his bid. Mr. Shankle stated that his estimator had not included the price for Asbestos Removal in the base bid. He stated after reading the statement of Bid Items that he realized Bid Item No. 1 should have included the price for Asbestos Removal. He went on to say that the price for Asbestos Removal was only shown in the space provided which states "For informational purposes only."

3. Mr. Shankle stated they had made an error of \$60,420. The \$60,420 should have been added to the base bid of \$1,049,552.

4. At approximately 4:00 p.m. on April 21, 1983, J. Harold Shankle Company handcarried a letter to my office. The letter alleged a mistake in bid. Attached to the letter was two quotes for Asbestos Removal, 5 ledger sheets indicating how bid price was arrived at and an unsigned copy of the bid form.

5. A review of the work sheets has been made. The area of concern, Asbestos Removal, falls within the 600 series of the Specifications which is HVAC work. The bidder has submitted a quote and as explained will amount to \$60,420. The third page of the bidder's work sheet for HVAC work reveals a price of \$220,125 and at some point in time a figure of \$285,125 was lined out. This figure represents a difference of \$65,000. It is possible the omission of \$60,420 could have happened in this area; however, the work sheets, as submitted, are not conclusive in this area.

  
RALPH L. TRAMEL  
Contracting Officer (90C)



**J. HAROLD SHANKLE CO., INC.**  
**GENERAL CONTRACTOR**

April 21, 1983

Mr. Ralph Trammel  
 V A Medical Center  
 1370 24th Avenue, South  
 Nashville, Tennessee 37205

Re: Expand Laboratory Services  
 V A Medical Center  
 Project # 626-024

Dear Sir:

In response to your request for a confirmation of our base bid, we have discovered that an error was made on our bid form. Our estimator, Charles Lind, failed to include the cost of asbestos removal in his base bid.

As you will note on the enclosed worksheet, there was no allowance for asbestos removal in his base bid estimate. He assumed that the asbestos removal was to be bid as a separate item, when in fact it should have been included in our base bid. Our base bid should have read \$1,109,972.00, which represents our original base bid plus the cost for asbestos removal.

Mr. Lind arrived at \$60,420.00 for asbestos removal by using a telephone quotation from Longhorn J Co. (see attached copy) and adding 5% overhead and profit and 1% bond premium. When we received this bid there was a question as to whether the \$9,000.00 listed was a deduct or an add. Due to the disparity between the two bids we received for this portion of work, we used it as an add to the original \$48,000.00 quote.

As provided for in Federal Procurement Regulations Section 1-2.406-3 we respectfully request that this contract be awarded to our company in the amount of \$1,109,972.00. Your consideration of this request is appreciated.

Sincerely,

J. HAROLD SHANKLE CO., INC.

  
 J. H. Shankle  
 President

JHS/mb



<b>REPORT OF CONTACT</b> <small>REPORTS should be filled out in full or in appropriate as to the nature of a particular award in contract/purchase</small>		VA Central Office Procurement Service	FORM NO. 119, 11-68 (938)
NAME OF CONTACT <b>Bill Bonner</b>		DATE OF CONTACT <b>May 5, 1983</b>	
ADDRESS OF CONTACT <b>Congressman Tennessee</b>		RESPONSE NO. OF CONTACT <b>225-4311</b>	
BRIEF STATEMENT OF INFORMATION RECEIVED AND GIVEN			
<p>The Congressman called to inquire about the status of a mistake in bid from VA Medical Center Nashville, TN. I told him I had the file, (Rec'd 4/28) but had not reviewed it yet. I said it would be reviewed shortly and that it would then be sent through General Counsel for the required legal review. He asked me to call him back after I had reviewed it to let him know what my recommendation would be. I said that since this is a new assignment I would check with Mr. Cook first.</p> <p>Since Mr. Cook was out today, he asked me to advise Mr. Cook of his interest and to ask Mr. Cook to call him next week and advise status. I said I would.</p>			
OFFICE OR DIVISION <b>Procurement Service (938)</b>		REPORTED BY (Signature) <b>D. A. TITCOMB, Contracting Officer</b>	



REPORT OF CONTACT		VA OFFICE	REPORTING OFFICER (Name, Title, Grade, Branch, etc.)
NOTE: This form must be filled out in ink or on typewriter, as it becomes a permanent record in veterans' files.			
LAST NAME—FIRST NAME—SERVICE NAME OF VETERAN (Type or print)			DATE OF CONTACT 5/20 8 11
ADDRESS OF VETERAN			REPORTING NO. OF VETERAN
PERSON CONTACTED Larry Deeters, Director VAMC Nashville, TN			TYPE OF CONTACT (Check) <input type="checkbox"/> PERSONAL <input type="checkbox"/> BUSINESS
ADDRESS OF PERSON CONTACTED			REPORTING NO. OF PERSON CONTACTED
BRIEF STATEMENT OF INFORMATION REQUESTED AND GIVEN			
<p>This is to confirm our verbal report at the 108 morning meeting on 4/21/85 and provide updated information on contacts with the local media on their request to review construction contract files for two projects (essentially complete) at the VAMC. The interest was primarily in potential involvement of Congressman Bill Boner in awarding these contracts.</p> <p>Allegations first rose several months ago about Mr. Boner's influence on government agencies in favoring certain contractors. At that time VA was not one of the Agencies mentioned. To our knowledge, Mr. Boner attempted to have no influence on the award of the contracts involved. The intervention mentioned in the following RDC concerning the "misbid" involved a claimed mistake in bid of about \$60,000 when the contractor failed to consider cost of removing asbestos in the area. After review in VACO the contract was awarded as it was still the low bid.</p> <p>The following is Mr. Deeters accounting of the media contacts.</p>			

1. ON MAY 20, 1985, AT 8:45 A.M., MS. RUSSELL CALLED TO INQUIRE ABOUT THE CONTRACT FILES FOR OUR LABORATORY RENOVATION PROJECT AND THE DIALYSIS PROJECT. SHE EXPRESSED AN INTEREST IN SEEING THESE FILES. I INDICATED THAT I WOULD HAVE TO CONTACT OUR DISTRICT COUNSEL'S OFFICE TO INQUIRE ABOUT PROPER PROCEDURES. SHE SEEMED SATISFIED.
2. I CONTACTED JESS COMER IN THE DISTRICT COUNSEL'S OFFICE AND HE INDICATED THAT HE WOULD CONTACT THE GENERAL COUNSEL'S OFFICE IN WASHINGTON, D.C., TO OBTAIN PROPER PROCEDURE AND WOULD CALL CORINNE RUSSELL TO EITHER GIVE HER THE PROCEDURE OR TO INDICATE HOW LONG IT MIGHT BE.
3. AT 11:00 A.M., MS. RUSSELL CALLED BACK TO INQUIRE WHAT I HAD LEARNED. I TOLD HER THAT THE DISTRICT COUNSEL'S OFFICE WOULD BE CONTACTING HER, PROBABLY SOMETIME TODAY. SHE ASKED WHAT I THOUGHT THE PROCEDURE WOULD BE AND I TOLD HER IT WOULD PROBABLY BE A FREEDOM OF INFORMATION REQUEST. I PROVIDED HER WITH THE NAME AND TELEPHONE NUMBER OF JESS COMER.

I RELATED THE ABOVE TO RICH ISAACS AT NOON.

ON MAY 21, AT APPROXIMATELY 10:30 A.M., I WAS CONTACTED BY CORINNE WILSON. SHE REQUESTED AN INTERVIEW ON CAMERA REGARDING THE CONTRACTS WITH J. M. SHANKLE CO. (DIALYSIS PROJECT AND LABORATORY RENOVATION PROJECT). SHE HAD PREVIOUSLY REQUESTED THE CONTRACT FILES ON THESE PROJECTS AND HAD COPIES OF REPORTS OF CONTACT INDICATING MR. WALTER HUNT'S INVOLVEMENT IN RESOLVING A MISBID ON THE LABORATORY PROJECT. MR. HUNT IS CONGRESSMAN BONER'S ADMINISTRATIVE ASSISTANT IN THE MEMPHIS OFFICE. I GRANTED THE REQUEST FOR AN INTERVIEW AFTER READING THE DOCUMENTS. THE FOLLOWING QUESTIONS WERE ASKED:

A. ISN'T IT UNUSUAL FOR A CONGRESSMAN'S OFFICE TO REPRESENT A CONTRACTOR ON SUCH AN ISSUE? ANSWER: NOT UNUSUAL. MANY INDIVIDUALS CONTACT THEIR CONGRESSMAN FOR ASSISTANCE WHENEVER THEY ARE HAVING DIFFICULTY DEALING WITH THE GOVERNMENT.

B. BUT DON'T THEY NORMALLY CONTACT THE INDIVIDUAL AT THE FACILITY INVOLVED FIRST AND TRY TO RESOLVE THE PROBLEM? ANSWER: YES, THAT WOULD NORMALLY BE THE CASE.

C. ON HOW MANY OCCASIONS DID CONGRESSMAN BONER'S OFFICE CONTACT YOU REGARDING CONTACTS WITH SHANKLE? ANSWER: TO MY KNOWLEDGE, ON TWO OCCASIONS: ONCE INVOLVING THE ORIGINAL BID AND THE SECOND TIME INVOLVING TIMELINESS AND AMOUNT OF PAYMENT FOR WORK ALREADY ACCOMPLISHED.

D. WHAT DO YOU MEAN, WORK ALREADY ACCOMPLISHED? ANSWER: I SEEM TO RECALL THAT THE CONTRACTOR FELT THAT A HIGHER PERCENTAGE OF THE WORK HAD BEEN DONE THAN WE HAD ALLOWED. A MEETING WAS HELD AND TO MY RECOLLECTION THE REASON A SMALLER AMOUNT WAS AUTHORIZED WAS BECAUSE THE CONTRACTOR HAD FAILED TO PROVIDE ADEQUATE DOCUMENTATION OF THE PROJECT AND RECEIPT OF ITEMS TO BE USED IN THE PROJECT. I BELIEVE THAT THE PROBLEM WAS RECTIFIED BY PROVIDING ADDITIONAL DOCUMENTATION AND THE PERCENTAGE WAS ULTIMATELY INCREASED.

E. I NOTE THAT THE CONTRACT EXCEEDED THE ORIGINAL COMPLETION DATE. IS THIS NOT UNUSUAL? ANSWER: IN A CONTRACT OF THIS SIZE, NORMALLY A NUMBER OF CHANGE ORDERS ARE REQUIRED DUE TO UNFORESEEN PROBLEMS. IF THE CHANGE ORDER IS SUBSTANTIATED, THE CONTRACT COMPLETION DATE MAY BE EXCEEDED. I SEEM TO RECALL IN THE LABORATORY PROJECT THAT THERE WAS A PROBLEM WITH A SUPPLIER GOING OUT OF BUSINESS AND A NEW SUPPLIER HAVING TO BE LOCATED.

F. DID CONGRESSMAN BONER EVER CONTACT YOU PERSONALLY WITH REGARD TO MR. SHANKLE'S PROBLEMS? ANSWER: NO, MR. HUNT CONTACTED ME.

G. TO WHAT EXTENT ARE YOU INVOLVED IN THE CONTRACTING PROCESS? ANSWER: THE CONTRACTING PROCESS IS MANAGED SEPARATELY BY THE SUPPLY SERVICE. IN FACT, WITH REGARD TO SUCH ISSUES, THERE IS A SEPARATE BODY OF REGULATIONS AND THE SUPPLY SERVICE REPORTS THROUGH A DIFFERENT CHAIN OF COMMAND TO AN ASST. ADM. IN WASHINGTON RATHER THAN THROUGH THE DEPT. OF MEDICINE AND SURGERY FOR SUCH ITEMS.

REPORT OF CONTACT		VA OFFICE	OFFICER'S NAME (F., M., M., JR., III, V., E., USA)
<i>NOTE: This form must be filled out in ink or on typewriter, as it becomes a permanent record in veterans' folders.</i>			
LAST NAME—FIRST NAME—MIDDLE NAME OF VETERAN (Type or print)		DATE OF CONTACT	
ADDRESS OF VETERAN		TELEPHONE NO. OF VETERAN	
PERSON CONTACTED		TYPE OF CONTACT (Check) <input type="checkbox"/> PERSONAL <input type="checkbox"/> TELEPHONE	
ADDRESS OF PERSON CONTACTED		TELEPHONE NO. OF PERSON CONTACTED	
BRIEF STATEMENT OF INFORMATION REQUESTED AND GIVEN			

H. WAS THE DECISION TO ALLOW THE CHANGE IN THE ORIGINAL BID MADE LOCALLY? ANSWER: NO, IT WAS APPROVED IN WASHINGTON.

I. IS THIS UNUSUAL? ANSWER: NO.

J. WHO WOULD YOU CONSIDER TO BE THE MOST KNOWLEDGEABLE ABOUT THE DETAILS OF THIS CONTRACT? ANSWER: THE CHIEF OF SUPPLY SERVICE, MR. BILL PALMER, AND THE SUPERVISOR OF THE CONTRACT SECTION AT THAT TIME, MR. RALPH TRAMEL, WHO IS NOW EMPLOYED AT THE VA MEDICAL CENTER IN MURFREESBORO.

K. WHY DID MR. TRAMEL LEAVE AND DID HE LEAVE UNDER DURESS? ANSWER: HE DID NOT LEAVE UNDER DURESS, BUT CHOSE TO APPLY FOR A POSITION VACANCY AT MURFREESBORO. I AM NOT AWARE OF THE REASON.

L. HOW FREQUENTLY DO YOU HAVE CONTACTS WITH CONGRESSMAN BONER OR HIS OFFICE? ANSWER: THE MAJORITY OF OUR CONGRESSIONAL MAIL COMES FROM CONGRESSMAN BONER'S OFFICE AND THE CONGRESSMAN COMES TO THE HOSPITAL APPROXIMATELY TWICE A YEAR EITHER TO VISIT PATIENTS OR FOR DEDICATIONS, OR OCCASIONALLY JUST TO VISIT. HE WAS PREVIOUSLY A MEMBER OF THE HOUSE VETERANS AFFAIRS COMMITTEE AND IS CURRENTLY A MEMBER OF THE APPROPRIATIONS COMMITTEE, BOTH OF WHICH PLAY A MAJOR ROLE IN SETTING THE VA BUDGET.

M. DID CONGRESSMAN BONER OR HIS OFFICE APPLY UNUSUAL PRESSURE IN THE SHANLE CASE? ANSWER: NOT THAT I AM AWARE OF. ON BOTH OCCASIONS, WALTER HUNZ AND I MERELY EXPEDITED THE MEETING BETWEEN THE OFFICIALS INVOLVED SO THAT A RESOLUTION COULD BE ACHIEVED.

REGION OF OFFICE <b>Southeastern Region</b>	SIGNED BY <i>[Signature]</i> <b>RICHARD D. YEATS, MBS (10245)</b>
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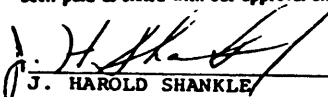
**SELLER'S SETTLEMENT SHEET**

DATE: August 12, 1983  
 SELLER: B & S Enterprises  
 BUYER: B. P. & Judy G. Calvin  
 PROPERTY: 2034 E. Greenwood Avenue

City. No. 244868  
 Account

	Debits	Credits
PROPERTY SOLD .....		\$ 38,600.00
Prorata Current Year's Taxes .. 221 DAYS .....	\$ 141.44	
Insurance .....		
Escrow Funds with .....		
Rent Adjustment .....		
Earnout Money in Hands of "Seller" .....		
Amount Necessary to pay 1st 1/2% of Annual Necessary to pay 2nd 1/2% of .....	Princ. \$ .....	Int. \$ .....
Vendor's Lien retained by seller .....		
<del>XXXXXXXXXX</del> Mortgage given .....	\$ 28,950.00	
Miscellaneous payments .....		
SURVEY .....		
<del>XXXXXXXXXX</del> Free Money .....	\$ 25.00	
<del>XXXX</del> Closing fee .....	\$ 100.00	
<del>XXXX</del> Deed Preparation .....	\$ 35.00	
Title Policy .....	\$ 208.83	
<del>XXXXXXXXXX</del> Advertising fee .....	\$ 1,074.95	
Commission to Agent .....	\$ 2,316.00	
Total Deductions .....	\$ 32,851.22	
PROCEEDS TO SELLER (Difference between Deductions & Total Credits) .....	\$ 5,748.78	
<b>TOTALS</b> .....	<b>\$ 38,600.00</b>	<b>\$ 38,600.00</b>

We have examined the above statement and find it correct. This acknowledges that the above amount have been paid as stated with our approval and for our account and benefit. Date Aug 12 19 83

  
 J. HAROLD SHANKLE

  
 WILLIAM H. BONER

**BUYER'S SETTLEMENT SHEET**

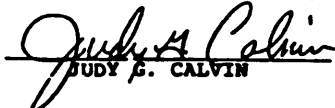
DATE: August 12, 1983  
 SELLER: B & S Enterprises  
 BUYER: B. P. and Judy G. Calvin  
 PROPERTY: 2034 Greenwood Avenue

City. No. 244868  
 Account

	Debits	Credits
PROPERTY PURCHASED .....	\$ 38,600.00	
*Earnest Money Deposited with Agent or "Seller" .....		\$ 5,790.00
Prorata Current Year's Taxes .....		\$ 141.44
Rent Adj. .....		
Insurance .....		
Escrow Funds With .....		
Recording Deed \$ 6.50 .....	\$ 106.86	
Recording Mtg. \$ 6.50 .....	\$ 35.10	
Miscellaneous Charges .....		
<del>XXXXXXXXXX</del> Deed of Trust & Deed of Trust Note .....	\$ 70.00	
<del>XXXX</del> Closing fee .....	\$ 100.00	
Mortgage assumed or given .....		\$ 28,950.00
Vendor's Lien retained by Seller .....	\$ 38,811.96	
..... Total Credits ..		\$ 34,881.44
*CASH TO BE PAID BY BUYER .....	\$ 4,030.52	
<b>TOTALS</b> .....	<b>\$ 34,811.44</b>	<b>\$ 34,811.44</b>

\*Instructions: To prove correctness of settlement figures, take total of all "Pay-Over" and see that it agrees with all cash paid by Buyer.

  
 B. P. CALVIN

  
 JUDY G. CALVIN

**SELLER'S SETTLEMENT SHEET**

DATE 4/22/83  
 SELLER William H. Boner & J.H. Shankle d/b/a  
 BUYER Manuel Alvelo  
 PROPERTY Stratton Avenue

GTY. No. ACCOUNT G-20265  
 B&S Enterprises

	Debits	Credits
PROPERTY SOLD .....		\$ 72,000.00
Prorate Current Year's Taxes 112 days .....	175.04	
Insurance .....		
Escrow Funds with .....		
Rent Adjustment .....		
Earnest Money in Hands of "Seller" .....		
Amount necessary to pay in full of Adjustment necessary to pay and out of Princ. \$ U.S. Bank Int. \$ .....	1,600.00	
Vendor's Lien retained by seller .....		
Mortgage given .....	54,000.00	
Miscellaneous payments advertising costs .....	1,579.08	
free money .....	25.00	
SURVEY .....		
Stamps on Seller's Deed .....		
Closing fee .....	100.00	
Deed preparation .....	20.00	
Title Policy .....	350.35	
Escrow Fee .....		
Commission to Agent Jim Stevens Realty & Auction .....	4,320.00	
Total Deductions .....	62,169.47	
PROCEEDS TO SELLER (Difference between Deductions & Total Credits) .....	9,830.53	
<b>TOTALS</b> .....	<b>\$ 72,000.00</b>	<b>72,000.00</b>

We have examined the above statement and find it correct. This acknowledges that the above amounts have been paid as stated with our approval and for our account and benefit Date \_\_\_\_\_ 19 \_\_\_\_

*William H. Boner*  
 WILLIAM H. BONER

*J. H. Shankle*  
 J. H. SHANKLE

**BUYER'S SETTLEMENT SHEET**

DATE 4/22/83  
 SELLER William H. Boner & J.H. Shankle d/b/a  
 BUYER Manuel Alvelo  
 PROPERTY Stratton Avenue

GTY. No. ACCOUNT G-20265  
 B&S Enterprises

	Debits	Credits
PROPERTY PURCHASED .....	72,000.00	
*Earnest Money Deposited with Agent or "Seller" .....		10,800.00
Prorate Current Year's Taxes .....		175.04
Rent Adj. .....		
Insurance Jim Stevens Insurance .....	345.00	
Escrow Funds With .....		
Recording Deed \$6.50 Tax \$ 186.20 .....	193.70	
Recording Mig. \$6.50 Tax \$ 52.00 .....	58.50	
Miscellaneous Charges .....		
Deed Preparation .....	20.00	
Closing fee .....	100.00	
Mortgage assumed or given .....		54,000.00
Vendor's lien retained by Seller .....		
<b>TOTAL CREDITS</b> .....		<b>64,975.04</b>
*CASH TO BE PAID BY BUYER .....		7,742.16
<b>TOTALS</b> .....	<b>\$ 72,717.20</b>	<b>72,717.20</b>

\*Instructions To prove correctness of settlement figures, take total of all "Pay-Debit" and see that it agrees with all cash paid by Buyer

*Manuel Alvelo*  
 MANUEL ALVELO

**SELLER'S SETTLEMENT SHEET**

DATE: June 23, 1983  
 SELLER: J. Harold Shankle Company, Inc.  
 BUYER: Ida Mai Shaw  
 PROPERTY: 5324 Buena Vista Pike

GTY. No. 243502  
 ACCOUNT

	Debits	Credits
PROPERTY SOLD .....		\$ 45,000.00
Prorate Current Year's Taxes .....	176.21	
Insurance .....		
Escrow Funds with National Mrtg. (purchased by buyer) .....		519.56
Prorate Adj. <del>JUNIOR MORTGAGE PAYMENT</del> .....	261.50	
Earnest Money in Hands of "Seller" .....		
Amount Necessary to pay for int. as of .....		
Amount Necessary to pay for and int. as of .....		
Vendor's Lien retained by seller. ASSUMPTION-Natl. Mrtg. ....	22,234.96	
Release of Lien .....		
Miscellaneous payments .....		
Deed Preparation .....	35.00	
SUBJECT Closing fee .....	125.00	
Stamps on Seller's Deed .....		
Taxes .....		
Free Money .....	25.00	
Title Policy .....	298.00	
Advt. Fee .....	1,130.83	
Commission to Agent Jim Stevens Realty & Auction .....	2,700.00	
Total Deductions .....	26,986.50	
PROCEEDS TO SELLER (Difference between Deductions & Total Credits) .....	18,533.06	\$ 45,519.56
TOTALS .....		

We have examined the above statement and find it correct. This acknowledges that the above amount have been paid as stated with our approval and for our account and benefit. Date \_\_\_\_\_, 19 \_\_\_\_

  
 J. HAROLD SHANKLE

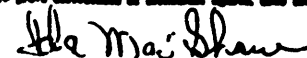
**BUYER'S SETTLEMENT SHEET**

DATE: June 23, 1983  
 SELLER: J. Harold Shankle CO. Inc.  
 BUYER: Ida Mai Shaw  
 PROPERTY: 5324 Buena Vista Pike

GTY. No. 243502  
 ACCOUNT

	Debits	Credits
PROPERTY PURCHASED .....	\$ 45,000.00	
*Earnest Money Deposited with Agent or "Seller" .....		6,750.00
Prorate Current Year's Taxes .....		176.21
Prorate Adj. <del>JUNIOR MORTGAGE PAYMENT</del> .....		261.50
Insurance .....		
Escrow Funds With Natl. Mrtg. (BUYER PURCHASE) .....		519.56
Recording Deed \$..... Tax \$.....	123.50	
Recording Mtg. \$..... Tax \$.....		
Miscellaneous Charges .....		
Title Policy .....	45.00	
Mortgage assumed or given .....		22,234.96
Vendor's lien retained by Seller .....		
..... Total Credits .....	45,688.06	29,422.67
*CASH TO BE PAID BY BUYER .....		16,265.39
TOTALS .....		

\*Instructions: To prove correctness of settlement figures, take total of all "Pay-Out" and see that it agrees with all cash paid by "Buyer."

  
 IDA MAI SHAW

**SELLER'S SETTLEMENT SHEET**

DATE: June 24, 1983  
 SELLER: William H. Boner and Harold Shankle  
 BUYER: Hunter Properties Partnership of David E. Rawlings & Greer Tidwell  
 PROPERTY: 943 Russell St., Nashville, TN

GRY. No. 244033  
 ACCOUNT

	Debits	Credits
PROPERTY SOLD .....		\$ 92,500.00
Prorata Current Year's Taxes .....	\$ 283.50	
Insurance .....		
Escrow Funds with .....		
Rent Adjustment .....	\$ 210.00	
Amount Necessary to pay 1st mtg. of Assumption .....	\$ 64,827.40	
Amount Necessary to pay 2nd mtg. of Assumption .....		
Vendor's Lien retained by seller .....		
Release of Lien .....	\$ 3.00	
Miscellaneous payments .....	\$ 35.00	
Deep Preparation Closing Fee .....	\$ 125.00	
SURVY .....		
Stamps on Seller's Deed .....		
Taxes .....		
Title Policy .....	\$ 511.75	
Attorney's Title .....	\$ 1,611.51	
Advertising Fee .....	\$ 5,550.00	
Commission to Agent J. Stevens Realty & Auction .....	\$ 73,157.16	
Total Deductions .....	\$ 19,342.84	
PROCEEDS TO SELLER (Difference between Deductions & Total Credits) .....		\$
<b>TOTALS</b> .....	\$92,500.00	92,500.00

We have examined the above statement and find it correct. This acknowledges that the above amount have been paid as stated with our approval and for our account and benefit. Date \_\_\_\_\_ 19 \_\_\_\_

X *William H. Boner*  
 WILLIAM H. BONER

X *Harold Shankle*  
 HAROLD SHANKLE

**BUYER'S SETTLEMENT SHEET**

DATE: June 24, 1983  
 SELLER: William H. Boner and Harold Shankle  
 BUYER: Hunter Properties Partnership of David E. Rawlings and Greer Tidwell  
 PROPERTY: 943 Russell St., Nashville, TN

GRY. No. 244033  
 ACCOUNT

	Debits	Credits
PROPERTY PURCHASED .....	\$ 92,500.00	
*Earnest Money Deposited with Agent or "Seller" .....		\$ 13,875.00
Prorata Current Year's Taxes .....		\$ 283.50
Rent Adj. ....		\$ 210.00
Insurance .....		
Escrow Funds With .....		
Recording Deed \$... 6,500 Tax \$... 240,50 .....	\$ 247.00	
Recording Mtg. \$... Tax \$... .....		
Miscellaneous Charges .....		
Title Policy .....		
Mortgage assumed or given .....		\$ 64,827.40
Vendor's lien retained by Seller .....		\$
TOTAL CREDITS .....		\$ 79,195.90
*CASH TO BE PAID BY BUYER .....		\$ 13,551.10
<b>TOTALS</b> .....	\$ 92,747.00	\$ 92,747.00

\*Instructions to pay proceeds of settlement shown, take total of all "Pay-Over" and see that it agrees with all cash paid by Buyer

X *David Rawlings*  
 DAVID RAWLINGS

X *Greer Tidwell*  
 GREER TIDWELL

<b>TRADEMARK APPLICATION, PRINCIPAL REGISTER, WITH DECLARATION</b> (Corporation)	MARK (Identify the mark) <b>Vector</b> CLASS NO. (if known)
<b>TO THE COMMISSIONER OF PATENTS AND TRADEMARKS:</b>	
NAME OF CORPORATION <b>Hydra-Sports, Inc.</b>	
STATE OR COUNTRY OF INCORPORATION <b>Tennessee</b>	
BUSINESS ADDRESS OF CORPORATION <b>100 Ocean Side Drive, Nashville, TN 37204</b>	
The above identified applicant has adopted and is using the trademark shown in the accompanying drawing <sup>2</sup> for the following goods: <u>boats</u>	
and requests that said mark be registered in the United States Patent and Trademark Office on the Principal Register established by the Act of July 5, 1946.	
The trademark was first used on the goods <sup>3</sup> on _____; was first used on the goods <sup>3</sup> in <u>interstate</u> commerce <sup>4</sup> on _____; and is now in use in such commerce.	
5 The mark is used by applying it to <sup>6</sup> <u>a boat</u>	
and five specimens showing the mark as actually used are presented herewith.	
7 <u>Earl Benz</u> <small>(name of officer of corporation)</small>	
being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any registration resulting therefrom, declares that he/she is <b>Vice President</b>	
<small>(official title)</small> of applicant corporation and is authorized to execute this instrument on behalf of said corporation, he/she believes said corporation to be the owner of the trademark sought to be registered; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use said mark in commerce, either in the identical form or in such near resemblance thereto as may be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive; the facts set forth in this application are true; and all statements made of his/her own knowledge are true and all statements made on information and belief are believed to be true.	
_____ Hydra-Sports, Inc. <small>(name of corporation)</small>	
By _____ <small>(signature of officer of corporation, and official title of officer)</small>	
_____ <small>(date)</small>	



#### REPRESENTATION

If the applicant is not domiciled in the United States, a domestic representative must be designated. See Form 4.4.

If applicant wishes to furnish a power of attorney, see Form 4.2. An attorney at law is not required to furnish a power.

#### FOOTNOTES

- 1 If applicant is an association or other similar type of juristic entity, change "corporation" throughout to an appropriate designation.
- 2 If registration is sought for a word or numeral mark not depicted in any special form, the drawing may be the mark typed in capital letters on letter-size bond paper; otherwise, the drawing should be made with india ink on a good grade of bond paper or on bristol board.
- 3 If more than one item of goods in a class is set forth and the dates given for that class apply to only one of the items listed, insert the name of the item to which the dates apply.
- 4 Type of commerce should be specified as "interstate," "territorial," "foreign," or other type of commerce which may lawfully be regulated by Congress. Foreign applicants relying upon use must specify commerce which Congress may regulate, using wording such as commerce with the United States or commerce between the United States and a foreign country.
- 5 If the mark is other than a coined, arbitrary or fanciful mark, and the mark is believed to have acquired a secondary meaning, insert whichever of the following paragraphs is applicable:
  - a) The mark has become distinctive of applicant's goods as a result of substantially exclusive and continuous use in \_\_\_\_\_ commerce for the five years next preceding the date of filing of this application.  
*(type of commerce)*
  - b) The mark has become distinctive of applicant's goods as evidenced by the showing submitted separately.
- 6 Insert the manner or method of using the mark with the goods, i.e., "the goods," "the containers for the goods," "displays associated with the goods," "tags or labels affixed to the goods," or other method which may be in use.
- 7 The required fee of \$35.00 for each class must be submitted. (An application to register the same mark for goods and/or services in more than one class may be filed; however, goods and/or services, and dates of use, by class, must be set out separately, and specimens and a fee for each class are required.)

HYDRA-SPORTS

199 Ocean Side Drive

Nashville, TN 37204

Att: Joe Reeves

COMR: Earl Benz

W: 615-385-3652 H:

83-0004 PG: 18

FF

Attorney 5

83-0004

Copyright/Trademark

Application

Statute of Limitations Date: NONE

FF

# Q & A

## ABOUT TRADEMARKS



U.S. DEPARTMENT OF COMMERCE/Patent and Trademark Office

**Answers  
to Questions  
Frequently  
Asked About  
Trademarks**

Reprinted August 1982

General  
Information  
Concerning



# TRADE- MARKS

A brief introduction to Trademark matters including

- definition and functions of Trademarks
- what applicants must do

U.S. DEPARTMENT OF COMMERCE  
PATENT AND TRADEMARK OFFICE

Mr. Joe Reeves  
Hydrex-Sports  
#

Dear Joe:

In order to file the  
enclosed application we  
need the 75.00 filing fee  
and the picture of the boat

If you have any questions  
please feel free to call me

BFB

pp. showing drawings and photos of mark on sheet 175.00

REGISTRAR, WITH DECLARATION  
(Corporation)

CLASS NO (If known)

TO THE COMMISSIONER OF PATENTS AND TRADEMARKS:

NAME OF CORPORATION  
HYDRA-SPORTS, Inc.

STATE OR COUNTRY OF INCORPORATION  
Tennessee

BUSINESS ADDRESS OF CORPORATION  
100 OCEAN SIDE DR NASH 37204

The above identified applicant has adopted and is using the trademark shown in the accompanying drawing<sup>2</sup> for the following goods: BOATS

and requests that said mark be registered in the United States Patent and Trademark Office on the Principal Register established by the Act of July 5, 1946.

The trademark was first used on the goods<sup>3</sup> on \_\_\_\_\_; was first used on the goods<sup>3</sup> in interstate commerce<sup>4</sup> on \_\_\_\_\_; and is now in use in such commerce.

5  
The mark is used by applying it to<sup>6</sup> in boat

and five specimens showing the mark as actually used are presented herewith.

7  
EARL BENZ

(name of officer of corporation)  
being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any registration resulting therefrom, declares that he/she is

(official title)  
of applicant corporation and is authorized to execute this instrument on behalf of said corporation; he/she believes said corporation to be the owner of the trademark sought to be registered; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use said mark in commerce, either in the identical form or in such near resemblance thereto as may be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive; the facts set forth in this application are true; and all statements made of his/her own knowledge are true and all statements made on information and belief are believed to be true.

HYDRA SPORTS  
(name of corporation)

By \_\_\_\_\_  
(signature of officer of corporation, and official title of officer)

(date)

If the applicant is not domiciled in the United States, a domestic representative must be designated. See Form 4.4.

If applicant wishes to furnish a power of attorney, see Form 4.2. An attorney at law is not required to furnish a power.

#### FOOTNOTES

- 1 If applicant is an association or other similar type of juristic entity, change "corporation" throughout to an appropriate designation.
- 2 If registration is sought for a word or numeral mark not depicted in any special form, the drawing may be the mark typed in capital letters on letter-size bond paper; otherwise, the drawing should be made with India ink on a good grade of bond paper or on bristol board.
- 3 If more than one item of goods in a class is set forth and the dates given for that class apply to only one of the items listed, insert the name of the item to which the dates apply.
- 4 Type of commerce should be specified as "interstate," "territorial," "foreign," or other type of commerce which may lawfully be regulated by Congress. Foreign applicants relying upon use must specify commerce which Congress may regulate, using wording such as commerce with the United States or commerce between the United States and a foreign country.
- 5 If the mark is other than a coined, arbitrary or fanciful mark, and the mark is believed to have acquired a secondary meaning, insert whichever of the following paragraphs is applicable:
  - a) The mark has become distinctive of applicant's goods as a result of substantially exclusive and continuous use in \_\_\_\_\_ commerce for the five years next preceding the date of filing of this application.  
*(type of commerce)*
  - b) The mark has become distinctive of applicant's goods as evidenced by the showing submitted separately.
- 6 Insert the manner or method of using the mark with the goods, i.e., "the goods," "the containers for the goods," "displays associated with the goods," "tags or labels affixed to the goods," or other method which may be in use.
- 7 The required fee of \$35.00 for each class must be submitted. (An application to register the same mark for goods and/or services in more than one class may be filed; however, goods and/or services, and dates of use, by class, must be set out separately, and specimens and a fee for each class are required.)



CJS Judgments  
133, 159

How  
long  
lasts

(Lipp v Chapman Perry Products Inc  
379 N.E. 2d 773 (1978))

(Lil Red Barn Inc v Red Barn Supton Inc  
322 F. Supp 98 (DC Ind 1970))

Reg - Construction Notice

Value House v Phillip Muncie Co  
523 F. 2d 424 (CANM 1975)

Old Dutch Foods Inc v Dan De  
Pretzel & Potato Chip Co  
477 F.2d 150 (CA Ohio 1973)

Safeway Stores Inc v Safeway Quality  
Foods Inc. 433 F.2 99 (CA Ind 1970)

McCormick v Co v Skinner  
354 F.2 668 1966

Anheuser-Busch Inc v Bavarian  
Brewing Co  
264 F.2 88 (CA Ohio 1959)

Allied Telephone Co Inc v Allied  
Telephone Systems Co Inc.  
565 F Supp 211 (DC Ohio 1982)

General Foods Corp v General Foods  
Inc 496 F. Supp 307 (DC Va Id 1979)  
app 659 F2 1066

Gen. Bus Inc v Renewal  
495 F Supp 526 (DC Pa 1980)

~~LEADERS~~

Sumatong, Paul & Vasquez, Walter  
 v. Nu-Evans, Corp  
 305 U.S. 315

James H. Bellan, Sam. v. Dillinger, Steel  
 v. White, Works, CCA Mich. 1942  
 28 F.2d 601, 63 S.Ct. 79

Application of Nelson & Brown  
 158 252 F.2d 582

Cleindine v. Ruff, Dist. Co. 1960  
 280 F.2d 803

Skinner Mfg. Co. v. Keegan, Sales 1944  
 43 F.2d 895

Pro. Motor Car Co. v. Traffic Motor  
 Truck Corp. 1925  
 1 F.2d 308

Walgreen Drug Stores v. Ober  
 Motor Bus Co. 113 F.95th 601, 63 S.Ct. 174

## C.S.S. Trademarks Etc

§ 41 - Only the owner of a trademark may register it; and in order to be entitled to register the mark he must be entitled to register the mark or must be entitled to its exclusive use and must have used it in commerce.

New England Sup. Ct. v. Denker  
 20 Mass. 1907, 415

§ 2 - Ordinarily in order to be entitled to registration as a trade-mark a machine or device must be of such character and be so used as to identify the goods of a certain manufacturer or merchant & distinguish them from those made or sold by others.

§ 51A  
 1952

A mark is not registrable if color alone is its distinguishing characteristic.

A mark which when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them cannot be registered, and this includes words or terms which are descriptive of the manner or process by which

of the independent authorities, an  
 article is made, on the character  
 & quality of such article.

Sincerity of marks likely to lead  
 to confusion must be determined  
 on basis of opinion

Appearance

Sound

Meaning

Spec. Cons. to desc. part of marks

(2-5)

Patent and Trademark Office Fees, Effective October 1, 1962

9.10 National application filing fees.

(a) Fees for filing each application for an original patent, except design or plant matter

By a small entity (§ 1.01)	\$100.00
By other than a small entity	\$200.00

(b) In addition to the basic filing fee in an original application for filing in this prosecution of each independent claim in claims of 5.

By a small entity (§ 1.01)	\$10.00
By other than a small entity	\$20.00

(c) In addition to the basic filing fee in an original application, for filing or this prosecution of each claim which is independent or dependent of claims of 5 or more than 5 (17.00 includes two multiple dependent claims are considered for fee computation purposes.)

By a small entity (§ 1.01)	\$0.00
By other than a small entity	\$10.00

(d) In addition to the basic filing fee in an original application, if the application contains, or is amended to contain, a multiple dependent claim, per amendment

By a small entity (§ 1.01)	\$50.00
By other than a small entity	\$100.00

(e) The additional fees required by paragraphs (b), (c) and (d) are not paid on filing or on later prosecution of the claims for which the additional fees are due, they must be paid or the claims submitted by amendment prior to the expiration of the term period set for response by the Office to any notice of non-compliance.

(f) Surcharge for filing the basic filing fee or each of amendments on a date later than the filing date of the application

By a small entity (§ 1.01)	\$50.00
By other than a small entity	\$100.00

(g) For filing each design application

By a small entity (§ 1.01)	\$64.00
By other than a small entity	\$128.00

(h) Basic fee for filing each plant application

By a small entity (§ 1.01)	\$100.00
By other than a small entity	\$200.00

(i) Basic fee for filing each reissue application

By a small entity (§ 1.01)	\$100.00
By other than a small entity	\$200.00

(j) In addition to the basic filing fee in a reissue application, for filing or this prosecution of each independent claim which is in excess of the number of independent claims in the original patent.

By a small entity (§ 1.01)	\$10.00
By other than a small entity	\$20.00

(k) In addition to the basic filing fee in a reissue application, for filing or this prosecution of each claim (whether independent or dependent) in excess of 50 and also in excess of the number of claims in the original patent which claim that (1) they reference two multiple dependent claims are considered for fee purposes.)

By a small entity (§ 1.01)	\$0.00
By other than a small entity	\$10.00

(Note, See § 1.446 for international application filing and prosecuting fees.)

9.11 Patent application processing fees.

(a) Extension fee for response within first month pursuant to § 1.102(a)

By a small entity (§ 1.01)	\$50.00
By other than a small entity	\$50.00

(b) Extension fee for response within second month pursuant to § 1.102(b)

By a small entity (§ 1.01)	\$75.00
By other than a small entity	\$150.00

(c) Extension fee for response within third month pursuant to § 1.102(c)

By a small entity (§ 1.01)	\$175.00
By other than a small entity	\$350.00

(d) Extension fee for response within fourth month pursuant to § 1.102(d)

By a small entity (§ 1.01)	\$275.00
By other than a small entity	\$550.00

(e) For filing a notice of appeal from the examiner to the Board of Appeal

By a small entity (§ 1.01)	\$67.00
By other than a small entity	\$134.00

(f) In addition to the fee for filing a notice of appeal, for filing a brief in support of an appeal

By a small entity (§ 1.01)	\$67.00
By other than a small entity	\$134.00

(g) For filing a request for an oral hearing before the Board of Appeal

By a small entity (§ 1.01)	\$50.00
By other than a small entity	\$100.00

(h) For filing a petition to the Commissioner under a section of the patent laws which refers to this paragraph ... \$100.00

-§ 1.46 -for conversion of ownership	
-§ 1.47 -for filing by other than the inventor or a person not the inventor	
-§ 1.102 -for division of application not specifically provided for	
-§ 1.103 -to suspend the rules	
-§ 1.105 -for late filing of interference division agreement	

(i) For filing a petition to the Commissioner under a section of the patent laws which refers to this paragraph ... \$50.00

-§ 1.10 -for petition to an employment record	
-§ 1.16 -for petition to an application	
-§ 1.46 -for entry of late priority papers	
-§ 1.102 -to make application proper	
-§ 1.103 -to respond on time in application	
-§ 1.117 -for divisional petition to issue priority	
-§ 1.105 -for petition to interference division agreement	
-§ 1.10 -for amendment after payment of issue fee	
-§ 1.210 -to withdraw an application from issue	
-§ 1.210 -to enter issuance of a patent	
-§ 1.204 -for petition to issue to design, assignment recorded title	

(j) For filing a petition to examine a public use proceeding under § 1.203 ... \$750.00

(k) For processing an application filed with a specification in non-English language (§ 1.602) ... \$200.00

(l) For filing a petition (1) for the revival of an abandoned application under 35 U.S.C. 102, or (2) for delayed payment of the issue fee under 35 U.S.C. 101:

By a small entity (§ 1.01)	\$25.00
By other than a small entity	\$50.00

(m) For filing a petition (1) for revival of an unintentionally abandoned application or (2) for the unintentionally delayed payment of the fee for issuing a patent

By a small entity (§ 1.01)	\$200.00
By other than a small entity	\$400.00

9.12 Patent issue fees.

(a) Basic fee for issuing each original or reissue patent, except a design or plant patent

By a small entity (§ 1.01)	\$200.00
By other than a small entity	\$400.00

(b) Issue fee for issuing a design patent

By a small entity (§ 1.01)	\$27.00
By other than a small entity	\$135.00

(c) Issue fee for issuing a plant patent

By a small entity (§ 1.01)	\$100.00
By other than a small entity	\$200.00

9.13 Unpublished copies fees.

The Patent and Trademark Office will supply copies of the following documents upon payment of the fee indicated:

(a) Unpublished copies of Office documents

(1) Printed copy of a patent, including a design patent, or deferred publication document, except other patent patent	\$1.00
(2) Printed copy of a plant patent in color	\$5.00
(3) Copy of patent application as filed, each 50 pages or fraction thereof	\$10.00
(4) Copy of patent file wrapper and contents, each 500 sheets or fraction thereof	\$20.00
(5) Copy of Office records, copies as provided in subparagraphs (1) through (4) of this paragraph, per page	\$0.20
(6) Microfilm copy of microfilm, per microfilm	\$0.50

(b) Certified copies of Office documents

(1) For certifying Office records, per certificate	\$0.50
(2) For a copy of congressional records, copies of title and certification, per patent	\$10.00
(3) For comparing copies not prepared by the Office with the original, prior to certification of the copies, per page	\$0.10

(c) Subscription services

(1) Subscription orders for printed copies of patents as issued, annual service charge for entry of orders and the delivery	\$4.00
(2) For annual subscription to each additional volume in addition to the one covered by the fee under subparagraph (1) of this paragraph, per volume	\$0.40

(d) Library service (25 U.S.C. 10)

For granting to libraries copies of all patents issued annually, per annum ... \$50.00

(e) Lists of patents in substance

(1) For list of all United States patents in a substance, per 100 patent numbers or fraction thereof	\$0.20
(2) For list of licensed States patents in a substance limited by date of patent number, per 50 patent numbers or fraction thereof	\$0.20

(1.2) Post-issuance fees.

(a) For providing a certificate of correction of applicant's mistake (§ 1.52) .....	\$45.00
(b) Petition for correction of inventorship in patent (§ 1.204) .....	\$ 120.00
(c) For filing a request for reexamination (§ 1.102) .....	\$ 1,500.00
(d) For filing each statutory disclaimer (§ 1.501)	
By a small entity (§ 1.01) .....	\$ 10.00
By other than a small entity .....	\$ 10.00
(e) For maintaining an original or revised patent, except a design patent, based on an application filed on or after December 10, 1950 and before August 27, 1952, in force beyond 4 years, the fee is due by three years and six months after the original grant .....	\$ 400.00
(f) For maintaining an original or revised patent, except a design patent, based on an application filed on or after December 10, 1950 and before August 27, 1952, in force beyond 6 years, the fee is due by three years and six months after the original grant .....	\$ 400.00
(g) For maintaining an original or revised patent, except a design patent, based on an application filed on or after August 27, 1952, in force beyond 10 years, the fee is due by three years and six months after the original grant .....	\$ 400.00
(h) For maintaining an original or revised patent, except a design or plant patent, based on an application filed on or after August 27, 1952, in force beyond 4 years, the fee is due by three years and six months after the original grant.	
By a small entity (§ 1.01) .....	\$ 100.00
By other than a small entity .....	\$ 200.00
(i) For maintaining an original or revised patent, except a design or plant patent, based on an application filed on or after August 27, 1952, in force beyond 6 years, the fee is due by three years and six months after the original grant.	
By a small entity (§ 1.01) .....	\$ 200.00
By other than a small entity .....	\$ 400.00
(j) For maintaining an original or revised patent, except a design or plant patent, based on an application filed on or after August 27, 1952, in force beyond 10 years, the fee is due by three years and six months after the original grant.	
By a small entity (§ 1.01) .....	\$ 400.00
By other than a small entity .....	\$ 1,200.00

(1.3) Miscellaneous fees and charges.

(a) Registration of attorneys and agents	
(1) For admission to examination for registration to practice, the payable upon application .....	\$ 75.00
(2) On registration to practice .....	\$ 50.00
(3) For reinstatement to practice .....	\$ 50.00
(4) For certificate of good standing as an attorney or agent .....	\$ 10.00
(b) Deposit accounts	
(1) For establishing or restoring a deposit account .....	\$ 10.00
(2) Service charge for each month when the balance at the end of the month is below \$40 .....	\$ 2.00
(c) Disclosure document	
For filing a disclosure document .....	\$ 10.00
(d) Delivery fee	
Local delivery fee rental, per station .....	\$ 24.00
(e) International-type search reports	
For preparing an international-type search report of an international-type search made at the site of the first office on the merits in a national patent application .....	\$ 50.00
(f) Search of Office records	
For searching Patent and Trademark Office records for purposes not otherwise specified, per search hour or fraction thereof .....	\$ 10.00
(g) Copy machine labels	
Tokens for copying machine, each .....	\$ 0.20
(h) Recording of documents	
(1) For recording each assignment, agreement or other paper relating to the property in a patent or application .....	\$ 20.00
(2) Where a document to be recorded under subparagraph (1) of this paragraph refers to more than one patent or application, for each additional patent or application .....	\$ 5.00
(i) Publication in Official Gazette	
For publication in the Official Gazette of a notice of the availability of an application or a patent by drawing or text, each application or patent .....	\$ 5.00
(j) For a duplicate or reproduction of a government Office case print (There is no charge for the first permitted case print.) .....	\$ 5.00

may be supplied for each case and the fee specified in this section, such charges do not apply to documents filed with the Commissioner with respect to such each case or article.

(1.4) International application filing and processing fees.

(a) The following fees and charges are established by the Patent and Trademark Office under the authority of 35 U.S.C. 210:	
(1) A national fee (see 35 U.S.C. 201(a) and PCT Rule 14) .....	\$ 100.00
(2) A search fee (see 35 U.S.C. 201(a) and PCT Rule 14) when:	
(i) An corresponding prior United States national application with the fee has been filed .....	\$ 500.00
(ii) Corresponding prior United States national application with the fee has been filed .....	\$ 500.00
Search fee with the European Patent Office as the international filing Authority .....	\$ 75.00
(3) A supplemental search fee when required by the United States Patent and Trademark Office (see PCT Art. 17(2)(b) and PCT Rule 49.5), per additional search .....	\$ 100.00
(4) An supplemental search fee required by the European Patent Office (see PCT Art. 17(2)(b) and PCT Rule 49.5), per additional search .....	\$ 100.00
(5) The national fee, that is, the amount set forth in the filing fee under § 1.104 through (d) created by an amount of \$750.00 where an international search fee has been paid on the corresponding international application to the United States or an international searching Authority. Where the amount of the search fee in excess of that required for the national fee, a request for a refund of the excess under § 1.104(d) may be filed in the case of paying the national fee. Only one such refund is permitted based on a single international search fee.	
(6) A special fee when required (see 35 U.S.C. 272(a), per claim .....	\$ 10.00
(b) The basic fee and designation fee portions of the international fee shall be provided in PCT Rule 16:	
International Fee	
Basic Fee (for 20 pages) .....	\$ 275.00
Basic Supplemental Fee (for each claim over 20) .....	\$ 5.00
Completion Fee (per national or regional office) .....	\$ 25.00
(The fee for preparing a copy of the priority document is set forth in § 1.104(d))	
(c) Treatment fees.	
The following fees and charges are established by the Patent and Trademark Office for treatment cases:	
(1) For filing an application, per class .....	\$ 175.00
(2) For filing an application for renewal of a registration, per class .....	\$ 200.00
(3) For filing to publish a mark under § 1.104, per class .....	\$ 100.00
(4) For filing a new certificate of registration upon request of applicant .....	\$ 100.00
(5) For a certificate of correction of registrant's error .....	\$ 100.00
(6) For filing a disclaimer to a registration .....	\$ 100.00
(7) For filing an amendment to a registration .....	\$ 100.00
(8) For filing an affidavit under § 6 of the Act, per class .....	\$ 100.00
(9) For filing an affidavit under § 16 of the Act, per class .....	\$ 100.00
(10) For filing a certified affidavit under § 6 and § 16 of the Act, per class .....	\$ 200.00
(11) For petition to the Commissioner .....	\$ 100.00
(12) For filing petition to cancel or restore of application, per class .....	\$ 200.00
(13) For an appeal under the Trademark Trial and Appeal Board, (see 37 CFR) .....	\$ 100.00
(14) For printed copy of registered mark	
Copy only .....	\$ 1.00
Copy showing file number and date .....	\$ 3.00
(15) For applying trademark records, per certificate .....	\$ 5.00
(16) For photographs or other reproductions of records, drawings, or printed matters, per page of the material copied .....	\$ 2.00
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(18) For delivery of file to each registration or application, including the case .....	\$ 10.00
(19) For special service handling of fee that fees in connection with a renewal .....	\$ 100.00
(20) For items and services that the Commissioner finds may be supplied, for which fees are not specified, such charges as may be determined by the Commissioner with respect to each such item or service .....	actual cost

## APPENDIX B



U.S. Department of Justice

Criminal Division

Office of the Assistant Attorney General

Washington, D.C. 20530

APR 15 1996

Honorable Julian C. Dixon  
 Chairman, Committee on Standards  
 of Official Conduct  
 House of Representatives  
 Washington, D.C. 20515

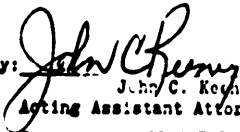
Dear Mr. Chairman:

As you know, the Department of Justice has begun an investigation into the activities of Congressman William Boner of Tennessee. We are aware, of course, that a referral on this matter has been made to your Committee. We respectfully request that your Committee defer on this matter until our investigation is completed. We are committed to proceeding with this investigation as expeditiously as possible and we will advise you of the results of our work to the extent permissible by law.

We have no objection to the public disclosure of this letter.

Sincerely,

Stephen S. Trott  
 Assistant Attorney General  
 Criminal Division

By:   
 John C. Keyser  
 Acting Assistant Attorney General  
 Pursuant to 28 C.F.R. § 0.102

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 MAR 21 1996

30 2 MAR 31 1996

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## APPENDIX C

**BILL BOWEN**  
5TH DISTRICT, TENNESSEE

COMMITTEE  
APPROPRIATIONS  
BUDGET AND FISCAL DEVELOPMENT  
RE-EMPLOYMENT ASSISTANCE  
DEBT REDUCTION AND DEBT  
CHAIRMAN  
COMMERCIAL  
TRADING AND FINANCIAL  
SERVICES



**Congress of the United States**  
**House of Representatives**  
Washington, D.C. 20515

CLERK'S OFFICE  
205 U.S. COURTHOUSE  
NASHVILLE, TENNESSEE 37203  
(615) 253-0200

RECEIVED OFFICE  
ROOM 107  
CANNON HOUSE OFFICE BUILDING  
205 30-001

April 22, 1986

The Honorable Julian C. Dixon  
The Honorable Floyd Spence  
Committee on Standards of Official Conduct  
Room NT-2  
The Capitol  
Washington, D.C. 20515

Dear Chairman Dixon and Ranking Minority Member Spence:

I am writing this letter about a matter of great urgency and importance. I understand from my counsel that the Committee received a letter from the Criminal Division of the Department of Justice requesting that the Committee defer its preliminary inquiry until the Department has finished its review. I also understand that the Committee is planning to meet on Wednesday, April 23 to consider this request.

I am writing this to ask as strongly as possible that the Committee deny the Department's request. In addition, I feel so strongly about this issue that I hereby request the opportunity to address the Committee directly on this issue when it meets.

There are a number of issues which the Department's request raises. Some concern matters far more important than my single case. For years, the House of Representatives has been asserting its co-equal and constitutionally-mandated right and obligation to review members' conduct, and the constitution specifically directs the House to perform this function. The House has won important Supreme Court and other judicial victories. A good example is the decision on the supremacy of the Speech and Debate Clause, which have been predicated on the assertion of this authority. Should the Committee voluntarily relinquish any of the House's constitutional authority, it would, in a single stroke, undermine the efficacy of these precedents for future use.

Similarly, the Executive and Legislative Branches are involved in a number of issues in which the authority of each to act is being challenged. On the day the Committee meets, for

example, the Supreme Court will hear arguments on the constitutionality of the Gramm-Rudman Act. Every time the House voluntarily gives up any of its Constitutional prerogatives it chips away at its ability even on different issues to assert its full authority.

There have been occasions in the past and there will be times in the future when the House wants to take actions and conduct investigations on its own before any public charge is made. If the Committee, without cause and on the simple request of a single division in the Department of Justice, defers to that division it creates a precedent which will be used against it in the future. This precedent not only will arise from the request for deferral, but from the way the request was made, in this case by a Deputy Assistant Attorney General in the Criminal Division.

Requests that one branch of the government give up its constitutional powers to another branch should come from the President or, at the very least, the Attorney General acting with the President's knowledge and approval. Because of the serious implications of the Department's request, I also ask that, before the Committee give up Congress' power and bind future Congresses by its decision, that the issue be taken up by the full House of Representatives. No less attention than that is warranted for this inappropriate request by the Department.

In addition to the institutional reasons for denying the request which I have outlined above, I also want to point out that the Committee's decision to defer would be unfair from my own perspective and from the perspective of future individual members who seek review or who are reviewed by the Committee.

It is no secret that the media and others have raised a dozen or more charges of wrongdoing against me. It is also clear (even though the Committee could not get this confirmed) that the Justice Department will concentrate on only a few of these allegations. If the Committee defers its investigation, it will create a vast area of uncertainty in the allegations that have been made, but will not go into the Department's review. Depending on how long the Department's review takes, what action, if any, it decides to bring, and when the Committee can take the matter up again, I could be left with charges hanging over me for months, certainly well past the elections.

Since the Committee will not be able to know what the Department's schedule and agenda are, how can it possibly consider deferring any part of its preliminary inquiry? A good question to ask which puts this in its proper perspective is whether the Justice Department would defer its investigation of "ABSCAM" or "Koreagate," had the House discovered it first and asked for the opportunity to determine its position before the prosecutors got started.

When I sought the Committee's review last February, I said that I was willing to answer for any mistakes I might have made.

I am cooperating with all officials to this end. However, if a Member has the obligation of undergoing such scrutiny and withstanding potential penalties, then he or she has an equal right to be vindicated. Neither I nor any other Member should have to wait for the issue to be resolved. My constituents deserve expeditious answers to the questions that were raised. The House has a special obligation to provide these answers in general and has the special ability to do so when the charges address areas of House rules and expertise, such as campaign expenditures, travel and conflict of interest.

Even if the Committee could find out that the Department was looking into every allegation that was raised, so that there was a complete overlap, that fact should not dictate deferral in any way. The charges that some have raised against me -- improper reimbursements from campaign funds, improper use of funds of leased automobile, etc. -- affect many other Members of Congress. Decisions made by the Department could change the way House funds are used and House activities are reported. These areas especially are ones in which the Committee should not defer. To do so would give the Executive Branch and the Justice Department the authority to write and re-write the rules of conduct for the House.

Finally, and perhaps most telling of all from a personal standpoint, the Department of Justice has had this matter before it for nearly two and one half years. From an investigating standpoint there is no reason why this matter could not have been fully investigated and conclusions reached in 1984 or even 1985. After two and one-half years of inaction, basic fairness dictates that the Department has abandoned any "claim" it might have on investigatory exclusivity.

I hope you can see from those points I have raised the problems caused by the Department's request. Again, I want to raise these with the Committee personally on Wednesday. I also repeat that I do not think the Committee can make a decision to bind the full House without consulting the House on this very important subject.

Thank you for your consideration, and I look forward to discussing these issues when the Committee meets.

Sincerely,



Bill Boner

## APPENDIX D



U.S. Department of Justice

Criminal Division

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*Office of the Assistant Attorney General**Washington, D.C. 20530*

MAR 31 1987

Honorable Julian C. Dixon  
Chairman, Committee on Standards  
of Official Conduct  
House of Representatives  
Washington, D.C. 20515


Dear Mr. Chairman:

I am writing to follow up on our letter to you of April 15, 1986, concerning the Department of Justice's investigation into the activities of Congressman William Boner of Tennessee (copy enclosed). The Department has declined prosecution in this matter and considers the case closed. We very much appreciate your cooperation in deferring to our investigation.

Sincerely,

William F. Wald  
Assistant Attorney General  
Criminal Division

Enclosure

By:   
John C. Keeney  
Acting Assistant Attorney General  
Pursuant to 28 C.F.R. §0.158