

[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.

participation 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

flying 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 discredibly 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 discredibly 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 discredibly 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 calendar 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 partnership 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. Reeves' 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

NINETY-NINTH CONGRESS  
JANUARY 3, 1906 CALIFORNIA CHAIRMAN  
ED JENNER, I. I. I.  
VICE CHAIRMAN  
WILLIAM J. CLEGG PENNSYLVANIA  
BERNARD J. DWYER NEW JERSEY  
ALAN B. MCCLONAN WEST VIRGINIA

FLOYD D. SPENCE SOUTH CAROLINA  
JOSEPH W. MERRILL IOWA  
JAMES W. HANSEN UTAH  
C. WALKER ANDERSON MISSOURI  
CARL D. PURCELL MINNESOTA  
GEORGE C. WHEATLEY NEW YORK  
RALPH L. LOYAN CHIEF CLERK

### U.S. House of Representatives

#### COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

SUITE 417-2, 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

HENRY NORTH (MISSISSIPPI)  
 ALAN C. BROWN (CALIFORNIA) CHAIRMAN  
 BO JONES (GEORGIA)  
 VIC FALSO (CALIFORNIA)  
 WILLIAM J. COYNE (PENNSYLVANIA)  
 GEORGE J. SWYER (NEW JERSEY)  
 ALAN S. WOLPERMAN (WEST VIRGINIA)

FLOYD D. SPENCE (SOUTH CAROLINA)  
 JOHN T. STYER (INDIANA)  
 JAMES V. HANCOCK (UTAH)  
 S. BRUCE WINTERKUNST (MISSOURI)  
 EARL D. FURBER (MICHIGAN)  
 GEORGE C. WORTLEY (NEW YORK)  
 RALPH L. LUTKAS (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 U.S. CAPITOL  
 WASHINGTON, D.C. 20515

FLOYD B. SPENCE, SOUTH CAROLINA  
 JOHN T. STRESS, MISSOURI  
 JAMES V. EASTMAN, ILLINOIS  
 G. WILLIAM BENTLEY, MISSISSIPPI  
 CARL D. PURCELL, MICHIGAN  
 GEORGE C. BURRITT, NEW YORK  
 RALPH L. LOTKIN, CHIEF COUNSEL

## U.S. House of Representatives

COMMITTEE ON STANDARDS OF  
 OFFICIAL CONDUCT

SUITE MT-2 U.S. 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

JOHN F. BROWN, CHAIRMAN  
 JOHN E. BROWN, CLARENCE  
 JOHN F. BROWN, CLARENCE  
 JOHN F. BROWN, CLARENCE  
 JOHN F. BROWN, CLARENCE  
 JOHN F. BROWN, CLARENCE  
 JOHN F. BROWN, CLARENCE  
 JOHN F. BROWN, CLARENCE

JOHN F. BROWN, CHAIRMAN  
 JOHN E. BROWN, CLARENCE  
 JOHN F. BROWN, CLARENCE  
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 JOHN F. BROWN, CLARENCE  
 JOHN F. BROWN, CLARENCE

## U.S. House of Representatives

COMMITTEE ON STANDARDS OF  
OFFICIAL CONDUCT

SUITE 417-2, 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

CLERK OF THE HOUSE  
 JAMES H. CLAYTON, CLERK  
 EDWARD J. COUGHLIN, CHIEF CLERK  
 THE CLERK OF THE HOUSE  
 5500 NEW YORK AVENUE  
 WASHINGTON, D.C. 20515

ALBERT B. SPENCE, CLERK OF THE HOUSE  
 JAMES H. CLAYTON, CLERK  
 EDWARD J. COUGHLIN, CHIEF CLERK  
 5500 NEW YORK AVENUE  
 WASHINGTON, D.C. 20515

## 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

OFF. PARLIAMENTARIAN  
 JAMES E. BROWN, CALIFORNIA, CHAIRMAN  
 DE BARRIS, CALIFORNIA  
 EDWARD J. BYRNE, NEW JERSEY  
 ALAN B. BELLINGER, MISSOURI  
 JOSEPH B. BARTON, MISSOURI  
 EDWARD B. BROWN, CALIFORNIA  
 (202) 555-7100

DAVID B. SPENCER, SOUTH CAROLINA  
 JOHN V. STONE, TEXAS  
 JAMES V. STONER, TEXAS  
 EDWARD J. TAYLOR, CALIFORNIA  
 THOMAS E. TATE, MISSOURI  
 LARRY E. TATE, MISSOURI  
 DAVID L. TATE, MISSOURI

**U.S. House of Representatives**  
 Committee on Standards of Official Conduct  
 Suite 305-2, 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?

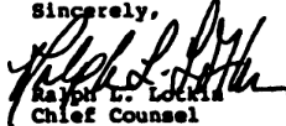
5. At our May 19 meeting we requested back-up documents supporting the congressman's reimbursement for expenses from his campaign organization. To date, you have not provided this information. As noted in our meeting, the F.E.C. reports simply reflect the amounts of a disbursement for a reimbursement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



Ralph L. Lotkin  
Chief Counsel

## EXHIBIT 6

ONE REPRESENTATIVE MEMBER  
 JAMES H. BRADY, CALIFORNIA, CHAIRMAN  
 THEODORE G. BOND, CALIFORNIA  
 ROBERT A. DUFFEL, NEW JERSEY  
 ALAN B. DRAKOS, NEW YORK  
 JAMES H. GANDY, PENNSYLVANIA  
 GEORGE E. JOHNSON, MISSOURI  
 (202) 555-7100

DAVID B. SPENCER, SOUTH CAROLINA  
 JOHN T. SPENCER, GEORGIA  
 JAMES T. WATSON, TEXAS  
 DONALD W. WATSON, ALABAMA  
 THOMAS S. WYLLIE, MISSISSIPPI  
 DAVID L. LOWELL, NEW YORK

**U.S. House of Representatives**  
**Committee on Standards of Official Conduct**  
 Suite 306-2, 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

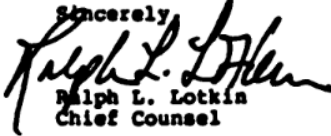


Abbe David Lowell, Esquire  
August 13, 1987  
Page 2

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 or 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 by the 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>

<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 payed 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. Contrary 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 inquiries 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 Hoefer 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**  
17TH 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  
502 U.S. COURTHOUSE  
NASHVILLE, TN 37203  
615-736-6299

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.

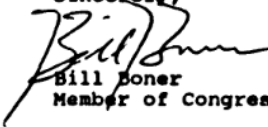
Honorable Julian C. Dixon  
Honorable Floyd D. Spence  
March 17, 1986  
Page 2

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 it making its report to the full House.

Thank you again for your consideration.

Sincerely,



Bill Boner  
Member of Congress

Enclosure

U.S. HOUSE OF REPRESENTATIVES  
8TH DISTRICT TENNESSEE

COMMITTEES  
APPROPRIATIONS  
ENERGY AND WATER DEVELOPMENT  
NON-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  
705-235-6211

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

TITLE OF SALE

**FOR THE RECORD**

FEB 10 1968

1825 Broadway, Nashville, Tennessee 37203 Telephone (615) 251-8100

ST-101-10-5

SOLD TO MAKE <b>PONTIAC</b>				YEAR <b>1968</b>				MODEL <b>SCHEVILLE</b>				BODY TYPE <b>PRM SECLN</b>				DATE PURCHASED <b>1/27/68</b>				INVOICE NUMBER <b>MAF00N</b>				POCA <b>POCA</b>				POCA <b>POCA</b>			
FIRST NAME <b>WILLIE</b>				MIDDLE INITIAL <b>M</b>				LAST NAME <b>POWER</b>				NEW <input checked="" type="checkbox"/>				USED <input type="checkbox"/>				CARS <input type="checkbox"/>				TRUCKS <input type="checkbox"/>				BUSES <input type="checkbox"/>			
STREET ADDRESS OR R.F.D. <b>PO BOX 60615</b>												MOBILE HOME <input type="checkbox"/>				RENT <input type="checkbox"/>				BOAT <input type="checkbox"/>				OTHER <input type="checkbox"/>							
CITY <b>NASHVILLE TN</b>								ZIP CODE <b>37206</b>				SALES <input type="checkbox"/>				O.V.M. <input type="checkbox"/>				OTHER <input type="checkbox"/>											
OWNER TITLE OR REGISTRATION NO. <b>SCHEVILLE</b>				STATE <b>TN</b>				LICENSE NO. <b>4475</b>				COUNTY NO. <b>DAVISON</b>				OTHER <input type="checkbox"/>															
LICENSE HOLDER <b>G.W.A. (79)</b>				BIRTH DATE 				BIRTH DATE 				BIRTH DATE 				BIRTH DATE 															
STREET ADDRESS <b>P.O. BOX 199 NASHVILLE TENN 37202</b>												CITY 				STATE 				ZIP CODE 											
STREET ADDRESS 												CITY 				STATE 				ZIP CODE 											
UNLESS THE DEALER HAS THIS DAY SOLD UNDER CONDITIONAL SALES CONTRACT I, THE ABOVE NAMED PURCHASER, THE HEREINAFTER DESCRIBED MOTOR VEHICLE ALIENS AND COVENANTS THAT THE UNDERSIGNED DEALER IS THE LAWFUL OWNER THEREOF WITH A GOOD RIGHT TO IT I FURTHER STATE THAT THERE IS NO LEASE OR ENCUMBRANCE OF ANY KIND ON THIS CONDITIONAL SALES CONTRACT OR MOTOR VEHICLE SIGNED BY ME AS PURCHASER AND TO BE ASSIGNED TO A CREDIT LENDER AND UNDER NO CIRCUMSTANCES WILL I BE HELD LIABLE AGAINST ANY PERSON OR ENTITY IN CONNECTION WITH THIS SALE.												INVENTORY NEW CARS 				USED CARS 				USED TRUCKS 				USED BUSES 							
BEAR BRAND PONTIAC COMPANY												SALES TAX 				NET TAX 				BUSINESS TAX 				LICENSE FEE 							
APPLICATION MADE THIS <b>27</b> DAY OF <b>JAN</b> 19 <b>68</b>												TOTAL CASH PRICE <b>14,455.00</b>				F.R.A.M.I.N.G. 				INSURANCE 				SERIAL 							
JUST CLERK COUNTY <b>DAVISON</b>												TOTAL TIME PRICE <b>17,230.00</b>				CASH PRICE 				USED CARS 				USED TRUCKS 							
WORK TO AND COMMENCED SERVICE AT THIS <b>27</b> DAY OF <b>JAN</b> 19 <b>68</b>												TOTAL <b>17,643.00</b>				CASH PRICE 				USED CARS 				USED TRUCKS 							
COUNTY <b>DAVISON</b>												TOTAL 				CASH PRICE 				USED CARS 				USED TRUCKS 							
COUNTY OF <b>DAVISON</b>												TOTAL 				CASH PRICE 				USED CARS 				USED TRUCKS 							
STATE OF TENNESSEE COUNTY OF <b>DAVISON</b>												TOTAL 				CASH PRICE 				USED CARS 				USED TRUCKS 							
THIS <b>27</b> DAY OF <b>JAN</b> 19 <b>68</b>												TOTAL 				CASH PRICE 				USED CARS 				USED TRUCKS 							
I, THE PURCHASER, HEREBY CERTIFY THAT THE ABOVE NAMED PURCHASER IS THE LAWFUL OWNER OF THE MOTOR VEHICLE DESCRIBED HEREIN AND THAT THE SAME IS NOT LEASED OR ENCUMBERED IN ANY MANNER AND THAT THE PURCHASER HAS NOT BEEN CONVICTED OF A FELONY OR A MURDER IN THE SECOND DEGREE OR A FELONY INVOLVING THE USE OF A FIREARMS WITHIN THE STATE OF TENNESSEE.												TOTAL 				CASH PRICE 				USED CARS 				USED TRUCKS 							

GMAC 100DC

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 78.8 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



DETACH HERE

ACCOUNT NUMBER 123 0296 97520	ACCOUNT NUMBER 123 0200 97520	ACCOUNT NUMBER 123 0200 97520
5 13 10	5 13 11	6 13 09
300 10	300 10	300 10
GENERAL MOTORS ACCEPTANCE CORPORATION	GENERAL MOTORS ACCEPTANCE CORPORATION	GENERAL MOTORS ACCEPTANCE CORPORATION
PLEASE DO NOT WRITE ON THESE LABELS	PLEASE DO NOT WRITE ON THESE LABELS	PLEASE DO NOT WRITE ON THESE LABELS

2 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

*William H. Boner*  
WILLIAM H. BONER

*William H. Freeman*  
WILLIAM H. FREEMAN, TREASURER

June 10, 1985

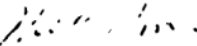
Mr. William H. Freeman,  
Treasurer  
Re-Elect Bill Boner Congressman  
P.O. Box 60685  
Nashville, TN 37206

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 1  
10-1-57  
10-1-57  
PC 10-1-57

CONGRESSMAN BILL BONER  
652 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 1984. 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 \$29.09 MONTHLY USE TAX FOR A TOTAL LEASE PAYMENT OF \$557.79. A 24 MONTH LEASE BASED ON THE SAME MILEAGE CRITERIA WOULD HAVE BEEN \$286.67 PLUS MONTHLY USE TAX OF \$21.29 FOR A TOTAL PAYMENT OF \$307.96. A 36 MONTH LEASE BASED ON THE SAME MILEAGE CRITERIA WOULD HAVE BEEN \$128.09 PLUS THE MONTHLY USE TAX OF \$18.09 FOR A TOTAL PAYMENT OF \$146.18.

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

SINCERELY,

*Howard Carmichael*  
HOWARD CARMICHAEL  
LEASE MANAGER  
REARMAN PONTIAC COMPANY

SPRING NASHVILLE FOR OVER 40 YEARS

1000 W. N. WAY NASHVILLE TENN 37203 • (615) 251-4400

03.03.86 15:47 P.03 • CG. B. BONER

TRANSMITTED FROM 615 251 2479

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

Washington, Dec. 17 (AP)—Lawmakers' campaign funds are being used to finance a wide variety of expenses, including country-club dues, travel, and tickets to the Kentucky Derby, according to a report by the House Ethics Committee.

The report, which is the first of its kind, says that members of the House and Senate have used their campaign funds to pay for a wide variety of expenses, including country-club dues, travel, and tickets to the Kentucky Derby.

The report also says that some members have used their campaign funds to pay for the salaries of their family members, and that some have used their funds to pay for the expenses of their children.

The report is based on a review of the financial records of 100 members of the House and Senate. It found that the total amount of money spent on these expenses was \$1.2 million.

The report also says that some members have used their campaign funds to pay for the expenses of their families, and that some have used their funds to pay for the expenses of their children.

The report is a result of a request by the House Ethics Committee to investigate the use of campaign funds by members of Congress.

### Congressmen Charge All Kinds of Things To Campaign Chests

They Justify Outlays, Calling All These Things Political How About the Shotgun?

By Bruce Jackson

WASHINGTON, Dec. 17 (AP)—This year's campaign chest has become a veritable storehouse of political necessities, from the necessities of the campaign itself to the necessities of the campaigner's life.

Members of the House and Senate have used their campaign funds to pay for a wide variety of expenses, including country-club dues, travel, and tickets to the Kentucky Derby.

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The report is a result of a request by the House Ethics Committee to investigate the use of campaign funds by members of Congress.

#### Dear Oprah

Dear Oprah, I am writing to you because I have been thinking about you a lot lately. I have been thinking about how much you have done for the world, and how much you have done for the people of the world.

I have been thinking about how much you have done for the people of the world, and how much you have done for the people of the world. I have been thinking about how much you have done for the people of the world, and how much you have done for the people of the world.

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I have been thinking about how much you have done for the people of the world, and how much you have done for the people of the world. I have been thinking about how much you have done for the people of the world, and how much you have done for the people of the world.

#### What's Personal?

What's personal? It's a question that has been asked many times over the years. It's a question that has been asked many times over the years. It's a question that has been asked many times over the years.

What's personal? It's a question that has been asked many times over the years. It's a question that has been asked many times over the years. It's a question that has been asked many times over the years.

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Washington, Dec. 17 (AP)—The House Ethics Committee has released a report that says members of Congress have used their campaign funds to pay for a wide variety of expenses, including country-club dues, travel, and tickets to the Kentucky Derby.

The report also says that some members have used their campaign funds to pay for the salaries of their family members, and that some have used their funds to pay for the expenses of their children.

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The report is a result of a request by the House Ethics Committee to investigate the use of campaign funds by members of Congress.

031 C. F. FIDEL UNION BANK  
140 MAIN ST  
NASHVILLE, TENNESSEE

37206

0108 0612079 00 000000 05 20 85 10.0000

4,091.00  
76.79 PAY  
TYPE

04,127.29

WILLIAM H. BARNER  
P.O. BOX 60585  
NASHVILLE TN 37206

DATE	TOTAL	INTEREST	PRINCIPAL	BALANCE
04 19 85	4,091.00			4,091.00
	TRANSACTION DETAIL SINCE LAST BILLING PERIOD			
	TRANSACTION AMOUNT	APPLIED INTEREST	APPLIED PRINCIPAL	PRINCIPAL BALANCE
04 19 85	4,091.00			4,091.00

*AD  
5/30/85  
Ch # 386*

KEEP THIS ORIGINAL AND RETURN ATTACHED COPY WITH YOUR PAYMENT

CENTRAL UNION BANK  
800 MAIN ST  
MEMPHIS, TENNESSEE

37206

00010108 0912029 00 000000 00 0 0 0 0 0

4,091.00  
16.59

*Complaint*

MEMPHIS, TENN  
P O BOX 63785  
MEMPHIS TN 37206

7512759

4,071.00

3-28-65

TRANSACTION DETAIL SINCE LAST BILLING PERIOD

OUR RECORDS INDICATE THAT WE HAVE NOT YET RECEIVED THE ABOVE PAYMENT WHICH WAS DUE 3-20-65.

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

*28-*





IF ANY OF THE INFORMATION HEREON HAS BEEN OBTAINED FROM ANY SOURCE OTHER THAN THE ISSUING OFFICE, THE INFORMATION IS UNRELIABLE.

1. SIGNATURE OF BORROWER <i>[Signature]</i>		2. TAX ID NUMBER <i>[Blank]</i>		3. STREET ADDRESS <i>603 S. Y 6068</i>		4. OFFICE'S BUSINESS PHONE <i>PC</i>		5. I AUTHORIZE THE BANK TO PURCHASE CREDIT LIFE INSURANCE POLICY FROM THE ISSUING OFFICE	
2. ZIP CODE <i>37306</i>		3. CITY AND STATE <i>Memphis, TN</i>		4. PHONE NUMBER <i>[Blank]</i>		5. INTEREST RATE <i>[Blank]</i>		6. ACCOUNT REASONING <i>[Blank]</i>	
7. INTEREST CHARGES <i>[Blank]</i>		8. INTEREST TYPE <i>B1</i>		9. INTEREST PAYMENT FREQUENCY <i>BC</i>		10. FIRST DUE DATE <i>PP</i>		11. INTEREST PAID <i>[Blank]</i>	
12. AMOUNT OF DISCOUNT <i>[Blank]</i>		13. BORROWER TYPE <i>CT</i>		14. FRACTIONAL COST <i>[Blank]</i>		15. SEC CODE <i>FD</i>		16. F.S. DUE DATE <i>AR</i>	
17. REMARKS <i>[Blank]</i>		18. INTEREST PAID <i>[Blank]</i>		19. PRINCIPAL PAID <i>[Blank]</i>		20. DATE PAID <i>[Blank]</i>		21. INTEREST PAID <i>[Blank]</i>	
22. PRINCIPAL PAID <i>[Blank]</i>		23. DATE PAID <i>[Blank]</i>		24. INTEREST PAID <i>[Blank]</i>		25. PRINCIPAL PAID <i>[Blank]</i>		26. DATE PAID <i>[Blank]</i>	

**For Bank Use Only** Business Note C-2312 (8-82)

Name <b>William H. Beasler</b>	Account Number <b>01323</b>	Note Number <b>000001</b>	Date of Note <b>5-26-55</b>	Maturity Date <b>MO 3-19-55</b>	Payor <b>PR</b>	Contract <b>LT</b>
Address <b>AM 4091 00</b>	City <b>MO</b>	State <b>MO</b>	Office <b>RC</b>	Business <b>NA</b>		
Lender's Address <b>AM 4091 00</b>			Lender's Office <b>RC</b>			
Lender's City <b>MO</b>			Lender's State <b>MO</b>			

Interest at \_\_\_\_\_ % until the date of the above stated term or until the date of the above stated term as the holder may elect. For notes received for the purchase of U.S. Government bonds, interest is due at the stated rate or the rate of the United States Government bonds at the time the interest is due.

1.  360  365 day basis due and payable as follows:  Other \_\_\_\_\_ Dollars with interest computed \_\_\_\_\_

2.  On demand  On or before **19-19-55**  91 days \_\_\_\_\_ **Interest 36.99**

By discount at the rate of \_\_\_\_\_ % per annum  Check's  
\_\_\_\_\_ % per annum over the Bank's \_\_\_\_\_ % per annum  Bank's  
rate to be adjusted whenever there is a change in said rate but in no  
event to exceed the maximum rate of interest permitted to be charged  
under the act of March 19, 1916. Said rate is that rate set by Bank  
upon and to time as each "call".  Lending Rate \_\_\_\_\_

The Bank makes a discount on the amount of any sum of interest to be paid on the date of the maturity of the note and the amount of such discount shall be added to the principal amount of the note. The discount shall be computed on the basis of 360 days in the year and the rate of discount shall be the rate of discount in effect on the date of the maturity of the note. The discount shall be computed on the basis of 360 days in the year and the rate of discount shall be the rate of discount in effect on the date of the maturity of the note. The discount shall be computed on the basis of 360 days in the year and the rate of discount shall be the rate of discount in effect on the date of the maturity of the note. The discount shall be computed on the basis of 360 days in the year and the rate of discount shall be the rate of discount in effect on the date of the maturity of the note.


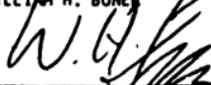
**THIS IS THE NOTE FOR THE PRIZE FOR THE CASHAWAY.**



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

APR 9 1974

PC ACR 102698  
 ATLANTA GA 3.358

PLEASE ADVISE CONCERNING YOUR  
 ACCOUNT BILL (MUR) - 528 - 7429

QUICK CORRESPONDENCE ONLY TO  
 GENERAL ELECTRIC COMPANY  
 CREDIT AND COLLECTIONS  
 P.O. BOX 876 MOUNTAIN VIEW ROAD  
 LYNCHBURG, VIRGINIA 24502

ORDER NO	ORDER DATE	GE REFERENCE NO	INVOICE NO	INVOICE DATE
528-7429	02-08-74	AU32-5488-4012	C445037	04-03-74

COMMUNICATIONS SVC CO INC  
 602 EASTMAN DR  
 NASHVILLE TN 37217

DATE SHIPPED	SHIPMENT FROM	SHIPMENT TO	TERMS
3-16-74	LYNCHBURG		

ITEM NO	DESCRIPTION	NOTE	QUANTITY	UNIT PRICE	EXTENDED AMOUNT
101	COMMUNICATIONS MOBILE PHONE 1.00 SEC 24 HRS. DELAY		1	2,905.50	2,905.50
* SUB-TOTAL					2,905.50
STATE SALES TAX 4.5 %					130.71
CITY SALES TAX 2.2 %					64.11

PA  
 5/1/74  
 Ch # 1701

<b>GENERAL ELECTRIC</b> AN EQUAL OPPORTUNITY EMPLOYER		TOTAL AMOUNT BILLED (CREDITED)	3,100.32
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ORIGINAL INVOICE

*Communications Service Co., Inc.*

601 EASTMACAN DRIVE • NASHVILLE, TENNESSEE 37217 • PHONE 615 361 8500

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    \$19,200 00
- (1) Jack Howland Deborah Shaw  
            4311 Signal Hill Drive  
            Nashville, TN 37205
- (2) Terms of Mortgage
- a. \$19,200.00 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 G T Co		\$ 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

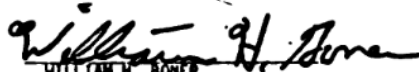
Closing Attorney



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

WITNESSETH

1. PREMISES. Subject to the terms of this Lease and in accordance with the provisions of the lease agreement contained in it, Lessor hereby leases to Lessee, and Lessee hereby leases to Lessor, those certain premises (the "Premises") in the building known as the Building (Building) located at 619-3rd Ave. South, Nashville, Davidson County, Tennessee. The Leased Premises are more particularly described as follows:

and are reflected on the floor plan of the Leased Premises attached hereto as Exhibit "A" and made a part hereof by reference and intended for identification by both parties. No exception for any air conditioning by the Lease. The Leased Premises are intended subject to all easements, encumbrances and other matters of public record or matters known to Lessee.

2. NET RENTABLE AREA. "Net Rentable Area", as used in this lease shall mean: (a) In the case of a single tenancy floor, all floor area measured from the inside surface of the exterior walls of the Building or at Lessee's option, from field measurements, by measuring from the inside surface of the exterior walls or from the column walls of the Building to the inside surface of the exterior walls, excluding only: (i) Building, stairs and fire towers with their enclosing walls, (ii) All elevator shafts and elevator machine rooms with their enclosing walls, and (iii) Tank rooms, flues, vents, stacks, ducts, and pipe shafts with their enclosing walls, except those in columns and pipes necessary to the Building and ducts, if any, in floor areas or computer area.

(b) In the case of a floor to be occupied by more than one tenant, all floor areas within the inside surface of the exterior walls or field column walls enclosing the Leased Premises and measured to the midpoint of the distance between the center lines of the columns or field for lease, plus an allowance of 10% (ten percent) to be applied to all common areas devoted to circulation, elevators, foyers, rest rooms, mechanical rooms, janitor closets, stairways, ducts and other similar facilities for the use of tenants of the floor (Common Areas). The deductions from Net Rentable Area shall be made for all such common areas not to be included. The net Rentable Area in the Leased Premises has been calculated in the basis of the foregoing and is set forth in the schedule hereinafter provided for all purposes hereof to be 2,016.29 square feet, which shall be deemed to be the net rentable area of the Leased Premises for all purposes hereof.

3. TERM. The term of this Lease shall be for the term of 1st July 1964 to and including 30th day of June 1965.

4. OPTION TO RENEW. Lessee shall have the option to renew the term of this lease for (a) additional term of \_\_\_\_\_ (b) additional term of \_\_\_\_\_ (c) additional term of \_\_\_\_\_ for that Lessee shall give Lessor written notice of its election to renew the term of this Lease at least \_\_\_\_\_ days prior to the expiration of the term hereof. Any such renewal shall be subject to all of the terms and conditions of this Lease, except for those set forth in Paragraphs 4 and except for those set forth in Paragraph 5a hereof. The renewal for any such term to be set forth in Exhibit B hereof attached and made a part hereof.

5. BASE RENTAL. (a) Lessee shall pay a base annual rental in the sum of \$13,609.96 (thirteen thousand six hundred and nine and 96/100 Dollars) payable in installments of \$134.16 (one hundred and thirty four and 16/100 Dollars) per month for each and every month during the said lease year. For each subsequent lease year during the Term of this Lease shall pay a base annual rental that is \_\_\_\_\_ percent (\_\_\_\_%) higher than that of the immediately preceding lease year, with such increase to be applied to the base annual rental as adjusted for such increase. The base annual rental as adjusted for such increase for each lease year shall be referred to as the "Base Rental" in addition to the foregoing. Lessee shall also pay as additional rent all other items which shall be determined and payable under the terms of this Lease. Any Base Rental and additional rent payments which shall be due at the rate of 10% (ten percent) per annum if not so provided by this lease shall be the legal and enforceable rate. (b) The Base Rental together with any other items of rent provided for herein shall be due and payable in twelve (12) equal installments on the first day of each calendar month during each year of the term of this Lease. On the first day of each year or renewal of this Lease Lessee shall pay the Base Rental to Lessor. If Lessee fails to pay the Base Rental as provided herein or at such other times as Lessor may require from time to time, the Base Rental shall be deemed to be in arrears and shall accrue interest at the rate of 10% (ten percent) per annum. If the term of this Lease commences on other than the first day of a calendar month or if the term is on other than the last day of a calendar month then the installments of Base Rental for such calendar months shall be prorated and the prorated installments shall be paid in advance as provided above.

6. ADJUSTMENT FOR OPERATING EXPENSES IN EXCESS OF BASIC OPERATING COSTS. The rent payable by Lessee in excess of the Base Rental shall be adjusted in accordance with this section.

(a) For purposes of this section the following definitions shall apply: (i) The term "Basic Operating Costs" shall mean \_\_\_\_\_ (\$ 6.75 ) per square foot per annum, plus the Net Rentable Area of all floors in the Building as determined on the first day of each calendar year. (ii) The term "Lessee's Proportional Share" shall be an \_\_\_\_\_ percent (\_\_\_\_%) of the Lessee's Proportional Share shall be determined by dividing the Net Rentable Area, as defined above, by the total Net Rentable Area of the Building. (iii) The term "Operating Expenses" shall mean the costs and disbursements of every kind and nature which Lessor or Lessee shall be required to pay in connection with the repair and operation of the Building, the land upon which the Building is located, and the utility charges used in connection with the ownership of the Building. All Operating Expenses shall include the cost of capital investment items or specific costs billed to and paid by specific tenants. Otherwise, but without limitation, the following expenses shall constitute Operating Expenses for purposes of this Lease: (1) The compensation of all employees and sums due to any independent contractors, which employees or independent contractors shall be paid in connection with the operation, maintenance or security of the Building and the land upon which the Building is located, including the cost of such employees' health, life, fire and other insurance, and benefits relating to such employees; (2) The compensation of independent contractors providing these services shall be included; (3) All the purchase and materials used in the construction and maintenance of the Building, the land upon which the Building is located, and the utility charges used in connection with the ownership of the Building; (4) The cost of all utilities for the Building, including the cost of water and power, heating, lighting, air conditioning, and ventilation; (5) The cost of all items separately charged or billed to specific tenants; (6) The cost of all insurance and services for the Building, the land upon which the Building is located, and the premises in connection with the Building, including, without limitation, janitorial services, alarm services, window cleaning, and other services.

(b) The amount of the adjustment to be made to the Base Rental shall be determined as follows: (i) If the total amount of Operating Expenses in excess of Basic Operating Costs for any calendar year is less than the Lessee's Proportional Share of such total amount of Operating Expenses, then the Base Rental shall be adjusted to the amount of such Lessee's Proportional Share. (ii) If the total amount of Operating Expenses in excess of Basic Operating Costs for any calendar year is greater than the Lessee's Proportional Share of such total amount of Operating Expenses, then the Base Rental shall be adjusted to the amount of such total amount of Operating Expenses multiplied by the Lessee's Proportional Share.

(c) The amount of the adjustment to be made to the Base Rental shall be determined as follows: (i) If the total amount of Operating Expenses in excess of Basic Operating Costs for any calendar year is less than the Lessee's Proportional Share of such total amount of Operating Expenses, then the Base Rental shall be adjusted to the amount of such Lessee's Proportional Share. (ii) If the total amount of Operating Expenses in excess of Basic Operating Costs for any calendar year is greater than the Lessee's Proportional Share of such total amount of Operating Expenses, then the Base Rental shall be adjusted to the amount of such total amount of Operating Expenses multiplied by the Lessee's Proportional Share.

6. Lessor shall have the right to inspect the Premises at any time during the term of this Lease to verify the accuracy of the Lessee's reports and to ensure compliance with the terms of this Lease. Lessor shall have the right to enter the Premises at any time for the purpose of inspecting, measuring, or otherwise ascertaining the condition of the Premises and the accuracy of the Lessee's reports. Lessor shall have the right to require the Lessee to provide access to the Premises for such purposes. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent.

7. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent.

8. Upon the date that this Lease expires or is terminated, the entire additional rent for the preceding calendar year and for each calendar year during which the Lease term rates shall immediately be due and payable by Lessee to Lessor. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent.

9. RENT. Lessee shall, without deduction, abatement or setoff of any nature whatsoever, pay to Lessor the Base Rent provided above and all other sums due under this Lease promptly, and without deduction, abatement, or setoff, as provided herein. Receipt of any payment by Lessor from Lessee after Lessor has received of any breach of this Lease, terminated the Lease, rendered any suit to enforce 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. Nor shall any such receipt be construed as a waiver of any of Lessor's rights under this Lease.

10. DELIVERY OF POSSESSION. In the event this Lease includes the construction of space for use as the Premises, 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 the local authorities. Lessor shall notify Lessee of such completion not less than five (5) days prior to the commencement date. The taking of possession by Lessee shall constitute an acknowledgment that all improvements have been substantially completed in accordance with the plans and specifications therefore, and that the Leased Premises are in good condition for occupancy. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent.

11. 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 unenforceable, nor shall Lessor be liable to Lessee for any loss or damage. Lessor shall be proportionately extended for an additional period of time to the end of the term of this Lease shall within one (1) calendar year. However, if for any reason possession of the Leased Premises is not delivered to Lessee within one (1) calendar year (180) days of the beginning of the Term as specified in Paragraph 3 hereof (which time period shall be extended automatically to the extent Lessor is delayed by strikes, riots, casualties or other construction delays beyond Lessor's reasonable control), this Lease shall be voidable by either party giving written notice to the other, and, in such event any monies advanced by either party to the other shall be returned and the parties hereto (including agent) shall have no further obligation one to the other.

12. USE, TERMINATION AND SURRENDER. Lessee shall use and occupy the Leased Premises as general office space and for no other purpose. Lessee's use of the Leased Premises shall not violate any ordinance, law, recorded restrictions, government regulations, or the Rules and Regulations attached hereto as Exhibit D, and make a part hereof by reference. Lessee will be responsible for the maintenance and care of the Leased Premises and the fixtures and furnishings therein. Lessee shall repair or replace any injury or damage to the Leased Premises, the fixtures or the land upon which the Leased Premises are located, caused by fire or neglect (except as provided herein), by any person, including Lessee, or by any moving or removal of any equipment or contents of the Leased Premises. Upon expiration or termination of this Lease, Lessee agrees to deliver up and surrender to Lessor the Leased Premises in as good condition as at the date of possession, except for ordinary wear and tear. All improvements, additions and alterations (including, but not limited to, carpets, draperies and decorative items) made or installed by Lessee in or to the Leased Premises shall become the property of Lessor at the expiration of this Lease. Notwithstanding the foregoing, Lessor reserves the right to require Lessee to remove any improvements or additions made to the Leased Premises by Lessee and Lessee further agrees to remove any such improvements or additions no later than thirty (30) days after the expiration of this Lease. Lessor shall have the right to require Lessee to remove any improvements or additions made to the Leased Premises by Lessee and Lessee further agrees to remove any such improvements or additions no later than thirty (30) days after the expiration of this Lease.

13. 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 will not do any thing to or on the Leased Premises which will increase the rate of fire or other insurance or the loading on the Leased Premises or will set any such insurance to be void or voidable. If Lessee alters, constructs, or occupies the Leased Premises, Lessee agrees to the rate of fire or other insurance on the Leased Premises to increase. Lessee shall pay the cost of any increase in premium or policy amount payable by Lessee to Lessor. All alterations, additions, or improvements (including, without limitation, carpets, draperies and drapery) made or installed by Lessee in or to the Leased Premises shall become the property of Lessor at the expiration of this Lease.

14. In making any improvements or additions to the Leased Premises, Lessee shall use only contractors approved by Lessor. Lessee shall promptly pay any charges or costs of or in connection with the performance of any work allowed under this section. Lessee shall be responsible for the Leased Premises and the fixtures, free and clear of all liens and claims of any nature whatsoever. Lessee agrees to indemnify Lessor and its heirs, assigns and agents from and all losses, claims, damages, or liabilities resulting from or attributable to any improvements or additions made to the Leased Premises by Lessee. At Lessor's request, Lessee shall execute any instruments and take any steps necessary to cause the Leased Premises to be insured against fire, theft, and other risks in accordance with the requirements, rules, regulations and conditions of the insurance policy. Lessee shall comply with all requirements, rules, regulations and conditions of the Occupational Safety and Health Act and any other applicable laws.

15. SURRENDER. This Lease shall terminate on the expiration of the term hereof. The expiration of this Lease shall not constitute a waiver of any of Lessor's rights under this Lease. Nor shall any such receipt be construed as a waiver of any of Lessor's rights under this Lease. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent. Lessor shall have the right to require the Lessee to provide a copy of the Lessee's reports to Lessor at the time of the Lessee's payment of rent.

13. MAINTENANCE AND SUPPLEMENTING... (b) Lessor shall be liable for the cost of repair and replacement of any equipment or fixture which is damaged by fire, lightning, explosion, or other cause beyond the control of Lessee...

14. SERVICES, ELEVATOR, WATER, CLEANING, GAS AND ELECTRICITY... Lessor shall furnish the following services without charge...

(a) Lessor shall furnish the following services without charge at the proper times during each 24-hour day (7 days a week) Monday through Friday from 8:00 a.m. to 5:00 p.m. and 8:30 a.m. to 1:00 p.m. (Saturdays) and on all other days except holidays.

- (iii) Common restrooms and toilets, and
(iv) Cleaning services, which need not be performed during business hours.

(b) Lessor shall also furnish electric current on the Leased Premises for lighting and small business equipment... Lessor shall have no liability under any circumstances for cessation of any of the services set forth...

(c) Lessor shall have the right to charge Lessee an additional rental chargeable sum as a reimbursement for the direct and excessive use of the services or electric current set forth in this section.

(d) Lessor shall have no liability under any circumstances for cessation of any of the services set forth in this section if cessation is caused by power failure, strike, accident or breakdown...

15. ENTRY... Lessor may enter the Leased Premises at reasonable hours to view the premises and to make repairs...

16. TRANSFER OF TENANTS... If the Leased Premises are to be used for a purpose other than that for which they were originally intended, Lessee shall obtain the prior written consent of Lessor...

17. ASSIGNMENT BY LESSOR... Lessor shall have the right to transfer and assign, in whole or in part, all of its right, title and interest in and to this Lease, the Building, and the property upon which the Building is located...

18. DEFAULT... The following events shall constitute events of default by Lessee under this Lease: (a) If Lessee fails to pay any Base Rental or additional rent...

(b) If Lessee fails to comply with any term, provision or condition of this Lease other than the payment of Base Rental or additional rent, and shall not cure such failure within ten (10) days after written notice is served...

(c) If Lessee becomes insolvent, transfers any property in fraud of Lessee's creditors, or assigns its assets for the benefit of creditors.

(d) If Lessee files a Petition under any section of the Federal Bankruptcy Code or under any similar law or statute of the United States or any State thereof...

(e) If any court appoints a Receiver or Trustee for all or substantially all of Lessee's assets, or

(f) If Lessee deserts or vacates any substantial portion of the Leased Premises for a period of seven (7) consecutive days without the prior written consent of Lessor.

19. RIGHTS AND REMEDIES... Upon the occurrence of any event of default, Lessor shall have the option to pursue any one or more of the following remedies after giving the appropriate written notice, if any, to Lessee...

(a) Lessor may forfeit and terminate this Lease. In such event, Lessee shall be deemed to have abandoned the Leased Premises... Lessor may enter upon and take possession of the Leased Premises...

(b) Lessor may enter upon and take possession of the Leased Premises and shall not be deemed to have abandoned the Leased Premises... Lessor may enter upon and take possession of the Leased Premises...

(c) Pursuit of any of the rights and remedies set forth in this section shall not preclude pursuit of any other remedies provided by law or equity, or of this Lease.

(d) No waiver by Lessee of any violation or breach of any of the terms, conditions and covenants of this Lease shall be deemed to constitute a waiver of any other violations or breaches of any of the terms, conditions and covenants of this Lease.

(e) In every instance of default, Lessee shall bear the cost of any legal proceedings, including attorneys' fees and other expenses incurred in any effort to enforce Lessee's obligations under this Lease.

20. WAIVER... Lessor hereby waives that this Lease is subject to the provisions of the Uniform Residential Landlord and Tenant Act...

N/P

14. **ASSIGNMENT.** This lease shall not be assigned, sublet, or otherwise disposed of without the written consent of Lessor. Any assignment, subletting, or other disposition made in violation of this section shall be null and void. Lessor shall have the right to terminate this lease if Lessee assigns, sublets, or otherwise disposes of this lease without Lessor's written consent.

15. **GOVERNMENTAL INTERFERENCE.** Lessor shall have no liability to Lessee for any injury to, or damage to, or destruction of, or any injury suffered as a result of enforcement of any public law, regulation, or order, or any governmental action, which shall pay Lessor the cost of any expenses incurred as a result of any judicial or governmental action arising out of this lease.

16. **DAMAGE OR DESTRUCTION.** If the Building or the Leased Premises are totally destroyed or destroyed in part, or repairs cannot be completed within one hundred eighty (180) days from the date of damage, whether by fire, explosion, earthquake, or other casualty, either party may terminate this Lease by giving notice to the other. If the Building or the Leased Premises are damaged by any such casualty such that rebuilding or repairs can be completed within one hundred eighty (180) days, rental shall abate in proportion to the area of the Leased Premises which, in Lessor's judgment, is destroyed or damaged by Lessee as a result of the casualty. Lessor shall have one hundred eighty (180) days to restore the Leased Premises to the condition existing prior to the casualty damage, unless prevented from doing so for reasons beyond Lessor's control in which event the rental shall be extended. Notwithstanding anything in this section to the contrary, Lessee's obligations under this Lease, including but not limited to pay rent, shall not abate if damage or destruction to the Leased Premises or Building results from the negligence of Lessee's agents, employees, licensees or invitees.

17. **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 all additions and improvements made to the Leased Premises. Lessor shall furnish Lessor with satisfactory evidence that Lessee has obtained the required insurance.

18. **LIABILITY INSURANCE.** Lessee shall obtain and keep in force during the term of this Lease at Lessee's expense and at Lessee's expense or policies of comprehensive general liability insurance with premiums thereon fully paid on or before due date. Lessor shall increase 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 personal injury or advertising liability occurrence, and of not less than One Hundred Thousand Dollars (\$100,000) for property damage. The policy or policies shall have a landlord's protective liability endorsement attached. Lessee shall provide Lessor with evidence that Lessee has obtained the required liability insurance. Lessee will increase the protection afforded by the insurance at Lessor's reasonable request.

19. **INDEMNITY.** Lessee agrees on behalf of itself and any party holding by, through, or under Lessee, its agents, contractors, and employees in the following manner:  
a. Against any default under this Lease by Lessee, or any party holding by, through, or under Lessee for any cause, claim, or liability of any nature whatsoever sustained by Lessor or any party holding by, through, or under Lessee 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 in 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's 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, strike, insurrection, war, court order, requisition, order of governmental body of authority, or other major disaster 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 which are set forth or origin relates 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.

20. **WAIVER OF SUBROGATION.** Lessee and Lessor each waive and all rights for recovery against the other, its agents, the officers, employees, agents, and representatives of the other, for loss or damage to persons or property, which loss or damage is insured against any insurance policy in force at the time of such loss or damage. Lessee shall give notice to its insurance carrier or carriers that this waiver of subrogation is contained in this Lease. Lessee shall not be required to waive the rights of subrogation 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 either party.

21. **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.

22. **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 resulting from such defective condition.

23. **QUIET ENJOYMENT.** Lessor agrees that Lessee shall peacefully have, hold, and enjoy the Leased Premises, subject to all of the terms of this Lease. This covenant, and all other covenants of Lessor contained hereon shall not be deemed to be in violation with respect to business occurring during Lessor's or its successor's respective ownerships of the Leased Premises hereunder.

24. **BROKER'S COMMISSION.** The parties hereto represent and warrant to each other that there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease, except as stated hereon, and that each of the parties hereto hereby releases the other agents, and hold it harmless from all liabilities arising from any such claims by a person or persons claiming through the brokerage company's fees, except as follows:

25. **TIME OF ESSENCE.** Time is of the essence of this Lease.  
26. **NOTICE.** Any notice by either party to the other shall be in writing and shall be given to the other party at the address set forth in the attached schedule of addresses or certified mail, return receipt requested, addressed to Lessee at the address set forth in the attached schedule of addresses.

EXCEPTION. This Lease shall not be subject to the provisions of the Tennessee Landlord and Tenant Act, Chapter 152, Tennessee Code Annotated, which act shall not apply to this Lease.

42. **ATTENTION.** This Lease may not be altered, changed, or amended except by a written instrument in writing of equal force and effect as this Lease. No oral agreement with Lessor shall constitute a modification of the terms of this Lease, or a waiver of any provisions hereof, unless reduced by writing or otherwise executed by Lessor.

43. **HOLDING OVER.** If Lessee holds over or otherwise fails to vacate the Leased Premises after expiration or termination of this Lease without the written consent of Lessor, Lessee shall be deemed to have renewed this Lease on a month-to-month basis hereunder for the entire hold-over period. If, however, at the expiration of the term of this Lease, Lessee shall not be deemed to have renewed this Lease if Lessee vacates the Leased Premises within the term of this Lease. Lessee shall remain liable to Lessor for all claims for damages on any party to this Lease for any hold-over after expiration of the Leased Premises.

44. **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.

45. **BINDING EFFECT, PRONOUNS.** This Lease shall be binding upon and inure to the benefit of Lessee, its heirs, assigns, and shall be binding upon and inure to the benefit of Lessor, its successors, and to the extent permitted may be assigned by Lessor hereunder. Lessee's assigns. The pronouns of any gender shall include the other genders and shall be singular or plural, shall include the other, wherever appropriate.

46. **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.

47. **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.

48. **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.

49. **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 and to notify Lessor that Lessee is a duly organized entity, with the authority to enter into this Agreement, and to file a certificate of meeting minutes hereunder.

50. **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 any amount due by Lessee. If Lessor applies the security deposit, or a portion of it, to any amount due by Lessee, Lessor 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 is sold or leased, subject to this Lease, Lessor shall have the right to transfer the security deposit to the new owner or lessee of the Building. Lessor shall thereupon be relieved from any liability for the return of the security deposit to Lessee. The security deposit shall not bear interest during the term of this Lease and shall not be returned or credited to Lessee or any party other than Lessor. Any attempted assignment, or encumbrance of the security deposit shall be void.

51. **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.

52. **SPECIAL STIPULATIONS.**

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date aforesaid.

LESSEE: \_\_\_\_\_

LESSOR: \_\_\_\_\_

## FREDMAN WEBB CO., REALTORS

2200 P. O. BOX  
NASHVILLE, TENNESSEE 37212  
TELEPHONE 515-3638045

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JUL 20 1984

July 20, 1984

Mrs. Doris Bland  
P. O. Box 60685  
Nashville, TN. 37206

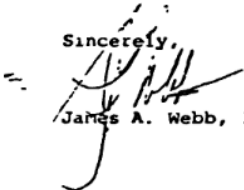
RE: 617 Third Avenue South

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:

This 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*  
Gaylor E. Cole

se



Equity Capital Management, Inc.

601 Second 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. Ritzman

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 BOHER

To: Brandon Lowell

Profit or (Loss) From Business or Profession

1981

SCHEDULE C (FORM 1040)

(Sole Proprietorship)

Partnerships, Joint Ventures, etc. Must File Form 1065

Department of the Treasury Internal Revenue Service

Attach to Form 1040 or Form 1041 See instructions for Schedule C (Form 1040)

Name of proprietor

Schedule C number of 08

Form fields for business name, address, accounting method, and inventory valuation.

Part I Income

Table with 3 columns for income items: 1a Gross receipts or sales, 2 Cost of goods sold, 3 Gross profit, 4a Windfall Profit Tax Credit, 5 Total income.

Part II Deductions

Table with 2 columns for deductions: 6 Advertising, 7 Amortization, 8 Bad debts, 9 Bank service charges, 10 Car and truck expenses, 11 Commissions, 12 Depreciation, 13 Depreciation, 14 Dues and publications, 15 Employee benefit programs, 16 Freight, 17 Insurance, 18 Interest on business indebtedness, 19 Laundry and cleaning, 20 Legal and professional services, 21 Office supplies and postage, 22 Phone and profit-sharing plans, 23 Rent on business property, 24 Repairs, 25 Supplies, 26 Taxes, 27 Travel and entertainment, 28 Utilities and telephone, 29a Wages, 29b Jobs created, 29c Withheld, 29d Tax credits, 29e Subtract line 29d from 29a, 30 Windfall Profit Tax withheld in 1981, 31 Other expenses.

32 Net profit or loss, (subtract line 32 from line 5) If a profit, enter on Form 1040, line 11 and on Schedule SE, Part II, line 5a (or Form 1041, line 8) If a loss, go to line 34

34 If you have a loss do you have amounts for which you are not at risk in this business? If yes checked, no enter the loss on Form 1040, line 11, and on Schedule SE, Part II, line 5a (or Form 1041, line 8)

For Paperwork Reduction Act Notice, see Form 1040 Instructions.



.....  
 DEPRECIATION SCHEDULE - SCHEDULE C, C-1 ..... SCHEDULE  
 .....

COST RECOVERY METHOD, LINE 1, PAGE 1, FORM 4562

	YEAR ACQ.	DEPRECIABLE BASIS	PROR. DEPRECIATION	DEPRECIATION THIS YEAR
TOTAL 3YR. PROPERTY	1961			
TOTAL 5YR. PROPERTY	1961	23656.		5599.
TOTAL 10YR. PROPERTY	1961			
TOTAL 15 YR. PUBLIC UTILITY PROPERTY	1961			
TOTAL 15 YR. REAL PROPERTY-LOW INT. HOUS.	1961			
TOTAL 15 YR. OTHER REAL PROPERTY	1961			
TOTAL LINE 1, PG. 1, FORM 4562		23656.		5599.

.....  
 SCHEDULE A SCHEDULE OF NON-CASH CONTRIBUTIONS SCHEDULE  
 .....

AST NASHVILLE CO-OP INDUSTRY	309.			
TOTAL TO SCHEDULE A, LINE 22			309.	

SCHEDULE A		INTEREST EXPENSE		SCHEDULE
OTH ST. LOT	72.	WILLIAM T. FISHER		595.
FIRST AMERICAN NATIONAL BANK	399.	WILLIAMSON CO. BANK		1046.
NASHVILLE CITY BANK	565.	NASHVILLE CITY BANK		427.
COMMENCE UNION BANK	2747.	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**

0030  
 0240 JH  
 4-101  
 12/27/61  
 004

Invoice number  
 H13104-00  
 12/31/61  
 IBM account number  
 1091308

BILL TO  
 BILL WYNER  
 714 RUSSELL ST  
 NASHVILLE TN 37203

  
**Office Products Division**  
 Remittance Copy


TERMS OF SALE AS DISCLOSED IN CONTRACT  
 NET 30 DAYS  
 NASHVILLE TN 37203

Terms  
 PAYABLE UPON RECEIPT OR  
 ACCORDING TO CONTRACT

(101) 7-7-60 LAT 000  
 If name and/or address is other than shown please correct on remittance copy

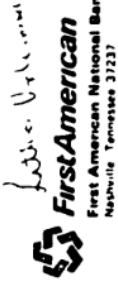
QTY	DESCRIPTION	UNIT PRICE	AMOUNT
1	1 4 00 0740 INFORMATION PROCESSOR	7,000.00	7,000.00
1	7040		
1	7040		
1	7040		
1	3048 DOCUMENT PRINTER	1,000.00	1,000.00
1	7014		
1	7011		
1	PROCESSING FEATURE	7,000.00	7,000.00
	STATE TAX		1,000.00
	LOCAL TAX		7.00
	DELIVERY CHARGE		20.00

EFFECTIVE DATE 12/01/61

Please refer to invoice number or return copy when remitting **PAY THIS AMOUNT** Thank you 

---

See conditions of sale on reverse side



Account No. 10000000000000000000

Note Number 10000000000000000000

Date Received 10/1/10

Date Released 10/1/10

Full Release

Partial Release

Description of Partial Release

Customer Name J. J. Williams

Address

Collateral Description

Comments

Collateral Value

Item No 1

2

3

4

Received by

Item 2015

Released by

Officer Authority

Released to

Customer Signature

Customer

*[Handwritten signature]*

LETTERS UNLIMITED  
2119 - 24TH AVE NORTH  
NASHVILLE, TENN. 37208

No 116

244 1982

524

Pay to the  
order of

First American Bank

\$700.00

received from Amelinda Allen and Tico - Authors

LETTERS UNLIMITED  
11-91

Commerce Brokers Office  
Union Bank  
Nashville, Tennessee



William H. Thomas

For Dep. C. M. S. R.

#000116 # 1:0640000201: 857 288 7# #0000750000/

*Steven Winkler*

LETTERS UNLIMITED  
2119 - 24TH AVE. NORTH  
NASHVILLE, TENN. 37203

No. 121

Dec. 29 19 82

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

FOR NOTE 6505873 - DATED 8/24/81

⑆000323⑆ ⑆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

Through

Due Date DEC. 30 19 82

Congressman Bill Boner

Acct. 8701917, Note No. 6505873

Please enclose this notice with your remittance. Form 7022