

PROCESS AND ANALYSIS

Introduction: Between the 4th quarter of 1998 and the 1st quarter of 2005, Congressman Ron Paul (RP) caused The Liberty Committee (TLC) or its predecessor, the Liberty Study Committee (LSC), to pay for airline tickets that he also submitted for payment (to be reimbursed to him) by the U.S. House of Representatives (in effect U.S. taxpayers). TLC's challenge is to document and receive timely and long-overdue reimbursement from RP for the tickets¹ improperly assessed to it.

A survey of checks issued to pay a portion of RP's credit card charges during the period shows that 38 of 61 (62.3%) of the airfare expenses presented for TLC to reimburse, and probably more, were also disbursed (paid) by the House – a total of at least \$20,070.49. The direct match between TLC and House payments is the Gold Standard figure that would be put in writing and demanded returned immediately to TLC.

Findings

After a series of duplicate payments to RP was uncovered and reported in a Roll Call magazine article, TLC commissioned a study to determine whether, why, and how frequently this occurred. This began with an examination of checks issued by TLC to RP for travel expenses during the period and documentation supplied to TLC to justify the airline tickets it was asked to pay for.

In practice, TLC was usually presented with portions of credit card statements that had been received by RP addressed to his Clute, Texas, office. There, he designated which charges were to be paid by each of several different organizations. Among those organizations was TLC, which had an agreement to reimburse him for organization-related travel expenses. A family member with access to one or more of the various organizations' checkbooks, or RP with his own check when travel was "personal", then wrote checks directly to the credit card company.

Because of increased audit standards after the "Enron collapse," TLC began requesting more dispositive documentation from the Clute office, such as a copy of the used ticket. By the end of 2003 this higher level of documentation became a requirement. We note that for the following year (2004) no travel reimbursement requests were submitted to/paid by TLC and therefore there are no records to review. But in January, 2005, a travel reimbursement check that had been written to cover RP travel was submitted. TLC demanded documents and was told by the Clute office that it was "in Washington;" at RP's Congressional office. When the Washington office was asked to produce the document, TLC was told it was "too late," it had "already been turned in." That is when an instance of double billing was discovered. No further reimbursements were requested by RP after that incident.

TLC's study compared information supplied upon which payments to RP were based with the Statement of Disbursements (SOD) showing payments made from the MRA by the House to reimburse RP for travel expenses. These statements are public records, published for each calendar quarter. A side-by-side comparison of credit card information and SODs during the period revealed that 62.3% of the travel expenses for which RP requested and received reimbursement from TLC met the Gold Standard for documentation of double billing as also having been paid by the taxpayer. This amounted to \$20,070.49. This is the Gold Standard of documentation.

The Roll Call article of February 6 that first reported this double billing by RP discovered that various non-profit, political organizations and political committees were involved as sources of double reimbursements. TLC's study confirmed that TLC was one of the organizations.

The study also considered instances where amounts assessed by RP to TLC and House reports of reimbursement do not obviously match; these do not meet the Gold Standard, at least not yet. TLC believes that a number of these tickets submitted to TLC for payment were paid by the House as official business, but a perfect match has not yet been clearly substantiated.

1 Other alleged costs were also assessed. Airline tickets were the easiest to deal with.

Many of the credit card statements used by RP to assess TLC only show the purchase date of a ticket, although later in the period airlines included a helpful notional itinerary. In cases that appeared not to meet the Gold Standard, the study found out what was happening in the House during the time that travel would have put RP in Washington. A number of the tickets in this category were probably for official travel because travel often seemed to be in synch with the work of the House and RP's voting.

Nature of Activities

RP's improper duplicate billing of TLC involved two types of actions: (1) filing for disbursement for official travel through the House using trustworthy documentation; and (2) allocating ticket purchases to TLC. RP made both decisions to request payments. RP would therefore know which tickets he determined were for official travel and had already sent to the House before he asked TLC to pay for them a second time. The lag time it took for the credit card statement to arrive in Clute would usually have insured this. In short, it was a closed process of decision-making.

RP also failed to report to the House travel paid by outside organizations, such as TLC. This provision was instituted by the House of Representatives to prevent the appearance of undue private influence on official functions if private funds were allowed to pay for official travel. RP could not report TLC-funded travel to the House because that travel had been turned in for reimbursement by the House.

The result of duplicate billing is clear with both the House and TLC paying for the same tickets, whether payment was in the form of a credit on his card account or the card company paying RP for overpaid amounts in his account. Either way, RP received a direct benefit.

RP's use of a single credit card for many different types of expenditures allowed for the coordination of duplicate billing activities.

TLC could never have known about the duplicate billing or the real reason for travel no matter what documentation had been provided until the SOD was published much later, well after the fact.