

February 8, 1999

Mr. Gary O. Bartlett, Executive Secretary Director  
State Board of Elections  
133 Fayetteville Street Mall, Suite 100  
Raleigh, NC 27601-1392

Dear Mr. Bartlett:

At the request of the State Board of Elections, we reviewed the documentation supporting the travel and living expenses claimed by Prism Systems, Inc. (Prism) as incurred while working on a statewide voter registration data network project. In 1997, the State Board of Elections contracted with Prism to provide this statewide voter registration data network and related support services. The contractual agreement allowed for Prism to receive an amount not to exceed \$127,016.20 in travel and living expenses associated with the project.

Although we normally review original documents to ensure expenses are not duplicated, we were unable to obtain Prism's original documents supporting the travel and living expenses requested for reimbursement. The original documents are located at Prism's headquarters in Illinois. Therefore, we reviewed copies of invoices, receipts, lease agreements, and other supporting documentation. On December 22, 1998, we received from Prism the first of two packages containing a schedule listing each travel and living expense claimed along with copies of employees' weekly expense reports and supporting documentation. Following our review of this package's contents, we identified additional documentation needed for our review. We received this additional documentation from Prism on January 12, 1999.

Based on our review, we identified hotel, meal, and car rental expenses incurred in states other than North Carolina; airfare expenses for flights to states other than North Carolina; and purchases of software, computer equipment, and other items labeled as *Hardware Purchases*. We also identified several expenses duplicated on the employees' expense reports. Based on our discussions with the State Board of Elections concerning these expenses, we agreed that the North Carolina project should not require Prism employees to travel and incur expenses in states other than North Carolina or Illinois. Additionally, we agreed that purchases identified as *Hardware Purchases* should not be included with the travel and living reimbursement requests.

We classified the travel and living expenses into one of the following three categories:

**1) DISALLOWABLE EXPENSES**

We identified 177 items, totaling \$38,240.93, listed on employees' expense reports that we classified as Disallowable Expenses (See Schedule A). These expenses included:

- a) Hotel, meal, car rental, and other expenses incurred in states other than North Carolina
- b) Airfare expenses for flights to states other than North Carolina
- c) Items listed as Hardware Purchases
- d) Duplicated expenses
- e) Entertainment expenses

**2) QUESTIONABLE EXPENSES**

We identified 117 items, totaling \$45,154.78, listed on employees' expense reports that we classified as Questionable Expenses (See Schedule B). These expenses included:

- a) Hotel and airfare expenses without receipts
- b) Expenses with illegible receipt copies

**3) ALLOWABLE EXPENSES**

Although the contractual agreement between Prism and the State Board of Elections allowed for Prism to receive an amount not to exceed \$127,016.20 in travel and living expenses, Prism calculated \$146,138.22 as the amount of travel and living expenses incurred on the North Carolina project. Subtracting the expenses categorized as disallowable and questionable, we classified \$62,742.51 as Allowable Expenses. Please note that we have calculated the expenses without making any attempt to allocate expenses between the state project and Prism's Wake County Project. It is our understanding that you will address that issue with Prism.

In conclusion, we have reviewed Prism's claimed travel and living expenses of \$146,138.22. We identified \$38,240.93 of those expenditures as disallowed, i.e. the expenditures were not related to the development of the statewide voter registration system or they were duplicates of already claimed expenditures. We also identified \$45,154.78 of the expenditures as questionable - either receipts supporting the expenditures were not provided or the receipts were illegible. Allowable expenses totaled \$62,742.51.

Claimed expenses	\$ 146,138.2
	2
Less disallowed expenses	-38,240.93
Less questioned expenses	-45,154.78
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Allowed expenses	\$ 62,742.51

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Please do not hesitate to contact us if you have any questions regarding this matter or if we can provide assistance in your efforts to bring this matter to closure.

Sincerely,

Ralph Campbell, Jr., CFE  
State Auditor

RCjr:tf

**Management letters and responses receive the same distribution as audit reports.**

**SCHEDULE A  
SCHEDULE OF DISALLOWABLE TRAVEL AND LIVING EXPENSES  
AUGUST 1997 - DECEMBER 1998**

<b>Date of Expense</b>	<b>Reasons for Disallowing Expenses</b>	<b>Amount of the Expense</b>
<b>Submitted for Steve Small:</b>		
07/18/97	Total expense amount for the week ended 7/18/97 is listed twice on the Expense Summary Sheet	374.47
08/04/97	Airfare expense for 2 other employees incorrectly listed as Other expenses; actual airfare expense (\$269/person) included on 8/4/97 (\$807)	1,614.00
08/06/97	Airfare expense on 8/6/97 (\$269) included with the airfare expense on 8/4/97 (\$807)	269.00
08/07/97	Mileage expense incurred one day after returning to Illinois from NC- purpose of expense listed as McHenry	34.80
08/08/97	Mileage, parking and toll expenses incurred 2 days after returning to Illinois from NC- purpose of expense listed as CBEC	41.15
08/12/97	Expenses incurred for travel from Illinois to Ohio, and New Jersey, purpose listed as Newark Essex	611.00
09/15/97	Meal, mileage, and parking expenses incurred in Illinois, purpose of expenses listed as CBEC	227.10
10/11/97	Purchase of a corrugated box from Office Depot in IL	6.61
10/12/97	Meal expense incurred in IL	41.00
10/13/97	Meal expense incurred in IL	4.15
10/15/97	Mileage and toll expenses incurred in IL, purpose of expenses listed as Thompson - HR	24.00
10/18/97	Purchase of items from Best Buy and CompUSA in IL	3,107.30
11/10/97	Purchase of DBMS/copy version 6.0 for Windows 95; invoice list shipped to IL and bill Innovative Solutions & Tech. in MO (also listed on the expense report for the week ended 12/6/97)	315.00
11/10/97	Purchase of DBMS/copy for Windows from MO, shipped to IL (listed on the Expense Report for the week ended 12/6/97)	314.00
11/14/97	Purpose for dinner expense is listed A. Andover	40.00
11/15/97	Purchase of office supplies	18.33
11/17/97	Computer rental in Seattle, WA for King Dome (listed on the Expense Report for the week ended 12/6/97)	322.54
11/25/97	Airfare expense for 2 employees from IL to Kansas City and back (listed on the Expense Report for the week ended 12/6/97)	400.00
11/28/97	Other expense documented as trip to ANB (listed on the Expense Report for the week ended 12/6/97)	36.00
11/30/97	Lunch and mileage expenses incurred in IL	19.68
12/01/97	Airfare and mileage expenses incurred for trip from IL to AZ	308.60
12/02/97	Parking expense incurred while on trip to AZ	30.00
12/03/97	Lunch and parking expenses incurred in IL	10.82
12/04/97	Dinner expense incurred in IL	20.00
12/04/97	Purchase of toner from CompUSA in IL	96.06
12/05/97	Dinner and mileage expenses incurred in IL	26.60
12/06/97	Purchase of SCSI card from CompUSA in IL	373.61

**Schedule A (Continued)**

<b>Date of Expense</b>	<b>Reasons for Disallowing Expenses</b>	<b>Amount of the Expense</b>
12/07/97	Airfare, mileage, transportation, and hotel expenses incurred related to trip to Texas	717.33
12/08/97	Hotel expense at the Sea Trail Plantation & Golf Resort in Sunset Beach, NC	70.67
12/09/97	Airfare, mileage, and parking expenses for trip from Texas, to Wilmington, NC, and then Illinois	1,079.60
12/10/97	Transportation expense without receipt which occurred one day after returning to IL from Wilmington, NC	16.00
12/11/97	Mileage expense incurred in IL, two days after returning to IL from Wilmington, NC - McHenry listed as location	34.80
01/04/98	Dinner purchased at Connie's in IL	27.11
01/04/98	Purchase of storage boxes - no receipt attached	73.36
01/05/98	Purchases from Target - not in NC - pull-ups, sasoon, nivea, storage boxes	30.80
01/08/98	Dinner amount claimed (\$34.32) is a duplicate of the lunch amount claimed (\$34.32 + \$4 tip)	34.32
01/10/98	Dinner expense claimed one day after returning from NC to IL - no receipt attached	31.35
02/02/98	Airfare expense from IL to MN - for Kevin Dotzenrod (only provided copy of credit card statement)	390.00
02/05/98	Parking and toll expenses - appears to be in Seattle, WA - customer site listed as American National Bank	8.30
02/05/98	Airfare and mileage expenses incurred for trip from IL to Seattle, WA	718.20
02/06/98	Parking and toll expenses incurred in Seattle, WA	5.80
02/06/98	Hotel and transportation expenses incurred in Seattle, WA	185.56
02/07/98	Dinner expense, unable to read receipt - incurred one day after returning to IL from WA	40.40
02/07/98	Mileage and parking expenses incurred following a return to IL from Seattle, WA	44.20
02/13/98	Dinner and hotel expenses incurred in IL	87.51
02/14/98	Lunch and dinner expenses incurred in IL	16.20
02/14/98	Luggage purchased in IL	533.75
02/24/98	Dinner, mileage, and hotel expenses incurred for a trip to Des Moines, IA	344.02
02/25/98	Airfare, rental/gas, hotel expenses incurred for a trip to Seattle, WA	784.44
03/03/98	Other expense documented as truck rental in IL	410.27
03/07/98	Movie billed to Hotel	9.49
03/07/98	Other expense - no explanation provided	200.00
03/16/98	Purchased hardware - Insight First Card - no invoice attached	439.72
03/17/98	Purchased hardware - SCSI Card - no invoice attached	201.59
03/19/98	Lunch and car rental expenses incurred in Cleveland, OH	70.49

**Schedule A (Continued)**

Date of Expense	Reasons for Disallowing Expenses	Amount of the Expense
03/26/98	Lunch expense incurred in Toledo, OH	4.66
03/29/98	Purchased hardware - 3 inch fan purchased in IL	16.04
03/29/98	Car rental expense incurred in Toledo, OH	68.24
03/30/98	Purchased hardware from CompUSA in IL- 100 base switch & Ethernet Card	576.41
04/01/98	Purchased hardware - blanket (no invoice provided)	90.09
04/02/98	Purchased hardware - SCSI Card/TV (no invoice provided)	423.98
04/03/98	Purchased hardware - TV exchange	27.54
04/07/98	Purchased hardware - queen mattress and pad, shipped to Steve Small in IL	194.95
04/08/98	Purchased hardware - cookware for apartment (no invoice provided)	180.19
04/10/98	Purchased hardware - keys (no invoice provided)	6.40
04/13/98	Lunch, mileage, transportation expenses incurred for a trip from IL to FL	223.41
04/14/98	Rental car and hotel expenses incurred in FL	120.09
04/14/98	Other expense documented as Airfare from FL to NC is a duplicate - also included on 4/15/98 on a second Weekly Expense Report for the week ending 4/18/98	183.00
04/14/98	Purchased hardware - Insight (no invoice provided)	217.96
04/15/98	Purchased hardware from CompUSA in IL - disk drive (listed on the Expense Report for the week ended 5/2/98)	242.29
04/15/98	Purchased hardware from CompUSA in Raleigh, NC (no description or invoice provided)	455.73
04/18/98	Purchased hardware - Ameritech phones for Small's office (no invoice provided)	489.68
04/19/98	Purchased hardware - CompUSA in IL (no invoice provided only credit card statement)	320.24
04/19/98	Purchased hardware from CompUSA in IL - disk & modems (listed on the Expense Report for the week ended 5/2/98)	533.68
04/22/98	Purchased hardware - battery and connectors from Best Buy in Raleigh, NC	34.96
04/25/98	Purchased hardware from Mid West Computer & Consulting in IL - DTC IDE Controller, network card	269.45
05/02/98	Parking expense duplicated (also listed as Other expenses)	12.25
05/05/98	Purchased hardware from Insight in AZ - computer related - no invoice, provided only credit card statement	352.99
05/06/98	Purchased hardware from Insight in AZ - computer related - no invoice, provided only credit card statement	2,634.95
05/07/98	Purchased hardware - disk, cd rom - unable to read invoice	91.46
05/12/98	Purchased hardware - fan - not purchased in NC	13.34
05/14/98	Purchased hardware - unable to read description or invoice	95.90
05/14/98	Lunch, mileage, and Airfare expenses incurred for a trip from IL to Kansas City, MO	229.18
05/15/98	Mileage, parking, rental car, and hotel expenses incurred for a trip to Kansas City, MO	224.90

**Schedule A (Continued)**

Date of Expense	Reasons for Disallowing Expenses	Amount of the Expense
05/17/98	Purchased hardware from Office Depot in IL- office supplies, binders for class	26.66
05/18/98	Purchased hardware from Target - power strips for class	78.96
05/19/98	Purchased hardware from Best Buy in Raleigh, NC - cable	22.14
05/26/98	Lunch expense incurred in IL	4.26
05/29/98	Purchased hardware from CDW Computer Centers in IL - Ethernet adapter for Bob's computer	150.00
06/01/98	Purchased hardware from CDW Computer Centers in IL - CDW computers	169.74
06/02/98	Truck rental expense incurred in AZ	75.38
06/03/98	Dinner and parking expenses incurred in AZ	20.50
06/04/98	Car rental expense incurred in AZ	137.40
06/05/98	Parking expense incurred in IL while in AZ	49.00
06/05/98	Dinner, gas and hotel expenses incurred in AZ; Airfare expense incurred from AZ to IL	636.42
06/06/98	Purchased hardware - tools (no invoice provided)	68.37
06/07/98	Purchased hardware from Target - not in NC - casio watch, watchband, outlets for the office	52.59
06/19/98	Dinner expense incurred in IL	17.92
06/20/98	Dinner expense incurred in IL	25.69
06/22/98	Airfare tickets (01611160397661 & 0161160397662) same as documented on 6/14/98	576.00
06/23/98	Dinner expense - although marked out & included on the Expense Report for the week ended 6/27/98 - also included in the Expense Report's total for the week ended 6/28/98	23.33
06/25/98	Dinner expense - although marked out & included on the Expense Report for the week ended 6/27/98 - also included in the Expense Report's total for the week ended 6/28/98	28.25
06/28/98	Dinner expense - although marked out & included on the Expense Report for the week ended 6/27/98 - also included in the Expense Report's total for the week ended 6/28/98	43.04
07/04/98	Purchased hardware from Home Hardware, IL	21.38
07/17/98	Purchased hardware - rope (unable to read invoice)	2.96
07/26/98	Other expenses - rope, turner, and spoon - purchased in Raleigh, NC	11.59
08/03/98	Airfare expense - invoice list \$0.00 as the cost of the flight; Expense Report list \$470 as the cost	470.00
08/14/98	Dinner expense - actually items purchased from Target (socks, smarties, axid ar, q-tips, tide, root beer, small bowls)	31.33
08/23/98	Other expense - apt. furnishings (unable to read receipt except - rug)	47.49
08/25/98	Airfare ticket (0161177697543) same as documented on 8/30/98	288.00
09/01/98	Apartment rent expense - Hamilton Ridge Apts. - documented on Expense Report as well as listed separately on Expense Summary Sheet	765.00

**Schedule A (Continued)**

Date of Expense	Reasons for Disallowing Expense	Amount of the Expense
09/08/98	Airfare expense - invoice list \$0.00 as the cost of the flight; Expense Report list \$288 as the cost	288.00
09/10/98	Purchased hardware - phone (unable to read receipt)	137.78
09/26/98	Purchased hardware - cooking equipment (unable to read receipt)	11.20
10/06/98	Other expenses purchased from Target in Raleigh, NC (no receipt, only credit card statement provided)	42.78
10/08/98	Other expenses purchased from Target in Raleigh, NC (no receipt, only credit card statement provided)	105.87
10/10/98	Purchased hardware from Home Hardware in IL	92.51
10/13/98	Lunch expense incurred in IL	59.27
10/17/98	Purchased hardware from Home Hardware in IL	7.37
10/19/98	Airfare expense - invoice list \$0.00 as the cost of the flight; Expense Report list \$570 as the cost	570.00
10/21/98	Cigarette purchase	2.20
10/24/98	Purchased hardware from Home Hardware in IL	9.53
11/04/98	Purchased hardware from Office Max in Raleigh, NC - HP compatible	85.85
11/04/98	Apartment rent expense - Hamilton Ridge Apts. - documented on Expense Report as well as listed separately on Expense Summary Sheet	765.00
11/30/98	Airfare expense also listed on 11/17/98 - ticket number (0162131229811) on Boarding pass same as invoice for the 11/17 ticket	270.00
12/10/98	Purchased hardware from Ace Hardware in Raleigh, NC - lock security guard, fasteners	14.26
<b>Submitted for Karen Azarchi:</b>		
10/11/97	Total expenses on Expense Report is \$168.42, claimed \$170.67	2.25
12/18/97	Hotel expense incurred in FL	49.00
12/18/97	Other purchase - Gateway laptop (shipped to Prism Systems in IL)	4,034.00
12/19/97	Hotel, rental car and gas expenses incurred in FL	123.95
12/19/97	Airfare expense incurred for flight from FL to IL	183.00
12/20/97	Cash advance not deducted from Reimbursement amount	49.00
01/12/98	Hotel expense included in the total Hotel expense also documented on 1/14/98	92.29
03/15/98	Purchased Hardware from CompUSA in IL - SCSI Adapter 2940	349.99
03/24/98	Hotel expense incurred in IL	67.94
03/26/98	Other expense - postage to yavapi (Prescott, AZ)	25.40
03/26/98	Purchased hardware from Insight in AZ - 2 jazz drives, 3 jazz travelers (no invoice, only credit card statement)	609.84
03/27/98	Other expense - furniture rental from Aaron Rents - documented on Expense Report as well as listed separately on Expense Summary Sheet	167.40
03/28/98	Other expense - postage to essex	7.50



**Schedule A (Continued)**

Date of Expense	Reasons for Disallowing Expenses	Amount of the Expense
03/29/98	Hotel expense incurred in IL	67.94
03/31/98	Apartment rent expense - Hamilton Ridge Apts. - documented on Expense Report as well as listed separately on Expense Summary Sheet	789.00
04/17/98	Parking and taxi expenses incurred for a trip to FL	38.00
04/17/98	Rental car and hotel expenses incurred in FL	239.58
05/26/98	Hotel expenses incurred in FL	77.71
06/07/98	Airfare expense same as reported on 6/13/98 (ticket #010617390405)	75.00
06/22/98	Hotel expense incurred in IL	64.43
06/27/98	Other expense - purchases at Target in Raleigh, NC (only provided credit card statement - no invoice)	51.66
07/10/98	Dinner expense includes cigarette purchase	1.89
07/18/98	Dinner expense includes cigarette purchase	3.78
07/23/98	Other expense - 2 dongles from Intel - no invoice provided	25.68
07/25/98	Dinner expense includes cigarette purchase	1.89
07/28/98	Airfare ticket (0161169712967) same as documented on Steve Small's Expense Report on 8/10/98	268.00
08/03/98	Discrepancy in apartment rent expense - Hamilton Ridge Apts. - Rent payments listed separately on Expense Summary Sheet	24.00
09/04/98	Other expense - Time Warner cable (TBS, HBO, Cinemax, Showtime, the Disney Channel)	26.05
09/29/98	Miscellaneous expense - listed as m/c finance charge (although crossed out on report, included in total)	15.40
10/04/98	Dinner expense includes cigarette purchase	3.90
10/17/98	Total expense amount for the week ended 10/17/98 is \$370.76 on the Expense Report, but \$235.14 on the Expense Summary Sheet	135.62
10/31/98	Total expense amount for the week ended 10/31/98 is \$41.86 on the Expense Report, but \$309.34 on the Expense Summary Sheet	-267.48
11/07/98	Total expense amount for the week ended 11/7/98 is \$152.35 on the Expense Report, but \$350.01 on the Expense Summary Sheet	-197.66
11/14/98	Total expense amount for the week ended 11/14/98 is \$373.96 on the Expense Report, but \$328.55 on the Expense Summary Sheet	45.41
<b>Submitted for Michael Berry:</b>		
01/23/98	Other expense - magazine, Visual Basic Program Journal (listed on the Expense Report for the week ended 2/13/98)	5.05
01/23/98	Hotel expense incurred in IL (listed on the Expense Report for the week ended 2/13/98)	79.00
01/25/98	Tip for movers - relocation expense	50.00
02/03/98	Hotel expense includes 2 movies	18.98
02/07/98	Total amount for entire Expense Report miscalculated by \$20	20.00

**Schedule A (Concluded)**

Date of Expense	Reasons for Disallowing Expenses	Amount of the Expense
<b>Submitted for Tom DePaepe:</b>		
02/13/98	Other expense - bank charges for returned NSF paycheck	4.50
10/20/97	Dinner expense includes a beer purchase	3.00
10/20/97	Long distance telephone calls made from IL to MI and IA	7.75
11/20/97	Receipt indicates dinner expense at \$15.66, but claimed on the Expense Report as lunch; entertainment at Jillians - \$16 listed as dinner	16.00
12/04/97	Dinner expense includes \$17.31 for a meal, and \$15 for entertainment at Jillians	15.00
01/29/98	Other expense - entertainment with Keven Dotzenrod at Jillians	96.75
<b>Submitted for Jim Reynolds:</b>		
08/18/97	Purpose of expenses indicate CBOE support at City Hall site - mileage and parking expenses incurred in IL	30.24
<b>Submitted for Gary Sprigg:</b>		
01/22/98	Other expense - purchase of a printer cable	26.43
<b>Submitted for Robert Small:</b>		
08/12/97	Other expense - Airfare expense for Ed Pudlo (a round-trip ticket from IL to NC beginning 8/4/97) also listed on Steve Small's Expense Report on 8/4/97	269.00
08/12/97	Airfare expense also listed on Steve Small's Expense Report on 8/4/97	269.00
09/10/97	Hotel expense incurred in FL	47.25
09/11/97	Rental car and gas expenses incurred in FL	101.54
	<b>TOTAL:</b>	<b>\$38,240.93</b>

Source: Prism Systems, Inc.

**SCHEDULE B  
SCHEDULE OF QUESTIONABLE TRAVEL AND LIVING EXPENSES  
AUGUST 1997 - DECEMBER 1998**

<b>Date of Expense</b>	<b>Reasons for Questioning Expenses</b>	<b>Amount of the Expense</b>
<b>Submitted for Steve Small:</b>		
09/03/97	Missing receipt for Airfare expense - provided only Boarding pass w/o cost	802.00
09/17/97	Lunch, mileage, & transportation expenses incurred in IL, purpose of expenses listed as CBEC/Ohare -NC State Visit	250.73
09/23/97	Missing receipt for Airfare expense - provided only credit card statement	978.00
09/29/97	Missing receipt for Airfare expense - provided only credit card statement. Airfare from IL to RDU to FI to IL	1,129.14
10/16/97	Missing receipt for Airfare expense	213.00
11/12/97	Unable to read copy of Airfare receipt	213.00
01/10/98	Hotel expense (3 rooms) listed for Bob, Steve, and Karen for 1/9 & 1/10; however, documentation indicates Steve returned to IL on 1/9	682.00
01/22/98	Unable to read receipt for Airfare expense	332.00
01/26/98	Missing receipt for Airfare expense - provided only Boarding pass w/o cost	494.00
02/18/98	Missing receipt for Airfare expense	434.00
02/23/98	Missing receipts for Transportation (\$458.75) and Hotel (\$255.89) expenses; Expense Report includes other hotel expenses covering the entire week	714.64
02/23/98	Missing receipt for Airfare expense for G. Sprigg - provided only credit card statement	980.00
02/25/98	Other expense - Missing receipt for hotel for Kevin Dotzenrod - provided only credit card statement	334.50
02/26/98	Missing receipt for Airfare expense - provided only credit card statement	494.00
03/02/98	Other expense - Missing receipt for Airfare expenses for Small & Azarchi - provided only credit card statement	572.00
03/16/98	Missing receipt for Airfare expense - provided credit card statement and boarding pass	494.00
03/19/98	Missing receipt for Airfare expense - provided credit card statement and boarding pass	437.00
03/20/98	No explanation for \$55 included in the Transportation expense total (\$1027)	55.00
03/20/98	Missing receipt for Airfare expense for Karen Azarchi and Steve Small - provided credit card statement and boarding pass	972.00
03/22/98	Dinner expense appears to have incurred in IL - unable to read receipt	24.04
03/24/98	Missing receipt for Airfare expense for Karen Azarchi - provided only credit card statement	494.00
03/26/98	Airfare expense incurred from trip from NC to OH, then OH to IL (no receipt, provided only credit card statement)	606.00
03/28/98	Missing receipt for Airfare expense for Karen Azarchi - provided only credit card statement	486.00

**Schedule B (Continued)**

<b>Date of Expense</b>	<b>Reasons for Questioning Expenses</b>	<b>Amount of the Expense</b>
03/30/98	No explanation for \$55 included in Other expense	55.00
03/30/98	Missing receipt for Airfare expense - provided only passenger itinerary, no cost listed	980.00
03/31/98	Missing receipt for Airfare expense for Karen Azarchi- no documentation provided	266.00
04/06/98	Missing receipt for Airfare expense for Steve Small and Karen Azarchi (flight for 4/21/98) - provided only credit card statement (also reported Airfare expense for 4/21/98 on 4/21/98)	448.00
04/14/98	Missing receipt for Airfare expense for Steve Small and Karen Azarchi - provided only credit statement	536.00
04/21/98	Missing receipt for Airfare expenses - provided only credit card statement - no destination of flights listed (also reported Airfare expense for 4/21/98 on 4/6/98)	588.00
04/23/98	Missing receipt for Car Rental expense - provided only credit card statement	274.51
04/26/98	Missing receipt for Airfare expense - no documentation provided	296.00
05/03/98	Missing receipt for Airfare expense - no documentation provided	296.00
05/22/98	Missing receipt for Airfare expense for Steve Small and Karen Azarchi - only Small's boarding pass provided	448.00
05/27/98	Missing receipt for Airfare expense for Steve Small and Karen Azarchi - only credit card statement provided	448.00
05/31/98	Airfare expense - from IL to RDU, 6/21; from RDU to AZ, 6/22; from AZ to IL, 6/17	893.50
06/12/98	Missing receipt for Airfare expense (no documentation provided)	288.00
06/24/98	Missing receipt for Airfare expense - no documentation provided	244.00
07/06/98	Missing receipt for Airfare expense - only provided Boarding pass without cost	288.00
07/17/98	Missing receipt for Airfare expense - only provided Boarding pass without cost	288.00
07/19/98	Other expense - no explanation provided - appears to have been purchased in IL	15.89
07/20/98	Missing receipt for Airfare expense - only provided Boarding pass without cost	288.00
07/21/98	Rental car with Avis - why when leasing a Toyota	54.93
08/19/98	Unable to read receipt for rental car/gas expense	14.63
08/21/98	Missing receipt for Airfare expense	288.00
08/30/98	Airfare expense claimed is \$470 - only provided receipt for one flight costing \$224	246.00
09/08/98	Other expense - no explanation or receipt	8.87
09/09/98	Other expense - no explanation or receipt	14.26
09/10/98	Phone usage - check written to Wake County Board of Elections (included on the Expense Report for the week ended 10/3/98)	1,005.86
09/11/98	Mileage and parking expenses on 9/11- Small arrived in IL on 9/10 claiming mileage and parking expense for that day too	38.70
09/12/98	AOL service	21.95

**Schedule B (Continued)**

Date of Expense	Reasons for Questioning Expenses	Amount of the Expense
09/26/98	Dinner expense - was expense incurred in NC? (no receipt provided)	54.78
09/28/98	Missing receipt for parking expense	72.00
09/28/98	Missing receipt for Airfare expense (no documentation included)	288.00
09/30/98	Missing receipt for rental car/gas expense	13.56
10/01/98	Missing receipt for parking expense	28.00
11/08/98	Missing receipt for Airfare expense - only provided Boarding passes	540.00
12/10/98	Missing receipt for Airfare expense - only provided Boarding pass	270.00
12/15/98	Missing receipt for Airfare expense - no documentation provided	270.00
12/16/98	Other expenses - National Mail Services, Carolina Power and Light (unable to read receipt)	169.02
12/23/98	Missing receipt for Airfare expense - only provided Boarding pass	270.00
<b>Submitted for Karen Azarchi:</b>		
02/06/98	Missing receipts for Airfare expenses (2 tickets) - provided only credit card statement (American Air)	1,960.00
02/07/98	Missing receipt for Hotel expense	185.30
02/20/98	Airfare expense claimed is \$980 - only provided receipt for one flight costing \$490 & credit card statement	490.00
02/25/98	Missing receipt for Hotel expense - provided only credit card statement	119.98
02/28/98	Missing receipt for Hotel expense - provided only credit card statement	323.25
03/29/98	Other expense - Security deposit for an apartment - has it been refunded?	200.00
04/11/98	\$95 listed as long distance calls from home in IL - billing statement only shows \$49.87 long distance calls made to NC	45.13
04/16/98	Airfare expense from NC to FL (listed on Expense Report on 4/15/98)	328.27
04/18/98	Airfare expense from FL to NC (listed on Expense Report on 4/17/98)	331.27
05/22/98	Missing receipt for Airfare expense - provided only credit card statement	220.00
06/21/98	Missing receipt for Airfare expense for Azarchi and Steve Small - provided only credit card statement	988.00
06/26/98	Other expense - cable in NC (no invoice provided)	76.51
07/07/98	Dinner expense includes Hoover Vacuum and utility cart purchase from Harris Teeter	71.00
07/08/98	Missing receipt for Airfare expense - provided only credit card statement	373.00
07/17/98	Missing receipt for Airfare expenses (2 tickets) - provided only credit card statement (ATA Air)	482.00
07/30/98	Missing receipt for Airfare expense - provided only credit card statement	254.00
08/12/98	Missing receipt for Airfare expense (4 tickets) - provided only credit card statement	216.00

**Schedule B (Continued)**

<b>Date of Expense</b>	<b>Reasons for Questioning Expenses</b>	<b>Amount of the Expense</b>
08/19/98	Missing receipt for Airfare expense - provided only credit card statement	303.00
08/24/98	Missing receipt for Airfare expense - provided only credit card statement (Continental)	180.75
10/01/98	Missing receipt for Airfare expense - provided only credit card statement (American Air)	270.00
10/11/98	Missing receipt for Airfare expenses for 2 charges (\$270, \$75) - provided only credit card statement (United)	345.00
11/10/98	Missing receipt for Phone expense	365.96
11/20/98	Missing receipt for Airfare expense - provided only credit card statement (American)	200.00
<b>Submitted for Tom DePaepe:</b>		
09/30/97	Other expense - Shipping for sag server for Wake County - for the NC State Board of Education?	84.26
10/20/97	Long distance telephone calls made from IL to MI and IA	7.75
11/14/97	Missing receipt for transportation expense	35.00
12/05/97	Missing receipt for transportation expense	25.00
<b>Submitted for Robert Small:</b>		
11/24/97	Missing receipt for Airfare expense - only provided credit card statement	213.00
12/08/97	Missing receipt for Airfare expense - only provided credit card statement	980.00
12/11/97	Missing receipt for Hotel expense - only provided credit card statement	61.60
12/12/97	Missing receipt for Hotel expense - only provided credit card statement	70.98
12/14/97	Missing receipt for Airfare expense - only provided credit card statement	980.00
12/20/97	Missing receipt for Hotel expense - only provided credit card statement	400.02
01/09/98	Missing receipt for Airfare expense - only provided credit card statement	980.00
01/21/98	Missing receipt for Hotel expense - only provided credit card statement which indicated a \$177.61 charge occurring on 1/21/98 and a separately listed \$400 charge occurring on the same date	577.61
02/19/98	Missing receipt for Airfare expense - only provided credit card statement	980.00
02/20/98	Missing receipt for Hotel expense - only provided credit card statement	133.67
03/12/98	Missing receipt for Airfare expense - only provided credit card statement	980.00
03/14/98	Missing receipt for Hotel expense - only provided credit card statement	61.60
07/17/98	Missing receipt for Airfare expense - only provided credit card statement	75.00
07/21/98	Missing receipt for Airfare expense - only provided credit card statement	187.00

**Schedule B (Concluded)**

Date of Expense	Reasons for Questioning Expenses	Amount of the Expense
07/27/98	Missing receipt for Airfare expense - only provided credit card statement	214.00
<b>Other Individually Listed Expenses:</b>		
04/01/98	Bell South - Missing invoice	197.35
06/01/98	Bell South - Missing invoice	269.69
08/01/98	Bell South - Missing invoice	200.97
10/01/98	Bell South - Missing invoice	94.76
11/01/98	Bell South - Missing invoice (Payment of \$365.96 to Bell South, dated 11/10/98, also included on Karen Azarchi's Expense Report)	261.00
12/01/98	Bell South - Missing invoice	217.90
04/01/98	Car Lease, Raleigh - Missing invoice/lease agreement concerning payment	818.71
06/01/98	Car Lease, Raleigh - Missing invoice/lease agreement concerning payment	818.71
08/01/98	Car Lease, Raleigh - Missing invoice/lease agreement concerning payment	387.74
09/01/98	Car Lease, Raleigh - Missing invoice/lease agreement concerning payment	387.74
10/01/98	Car Lease, Raleigh - Missing invoice/lease agreement concerning payment	407.13
11/01/98	Car Lease, Raleigh - Missing invoice/lease agreement concerning payment	633.91
12/01/98	Car Lease, Raleigh - Missing invoice/lease agreement concerning payment	1,466.56
04/01/98	Nationwide Insurance - No invoice for this amount; documentation provided indicates policy issued on 5/8/98	462.20
5/1/98, 6/1/98, 9/1/98	Nationwide Insurance expense - \$202.50 for 5/1/98, \$295.14 for 6/1/98, & \$256.35 for 9/1/98 - however, policy indicates a cost of \$399 for 5/1/98 - 11/1/98	354.99
	<b>TOTAL:</b>	<b>\$45,154.78</b>

Source: Prism Systems, Inc.