

April 6, 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 documentation submitted by Prism Systems, Inc. (Prism) in support of its claim for reimbursement of expenses for work on the statewide voter registration system. We delivered the results of that review by a management letter dated February 8, 1999. Prism provided additional information in response to the management letter. At the request of the State Board of Elections, we reviewed this additional documentation.

During our initial review, we classified the travel and living expenses claimed by Prism employees into one of the following three categories:

- ◆ Disallowable Expenses - 177 items totaling \$38,240.93, listed on employees' expense reports.
- ◆ Questionable Expenses - 117 items totaling \$45,154.78, listed on employees' expense reports.
- ◆ Allowable Expenses - An amount totaling \$62,742.51.

Documentation from Prism indicates that Prism concurred with \$29,096.24 of the Disallowable Expenses. However, Prism provided additional explanations and/or documentation on forty-three items categorized as Disallowable Expenses (see Schedule A). After reviewing this new documentation, we re-classified eighteen items totaling \$2,269.71 to Allowable Expenses.

Additionally, Prism did not challenge seven items, totaling \$431.81, listed in the Questionable Expense category. However, Prism provided additional explanations and/or documentation for the remaining 110 items categorized as Questionable Expenses, adjusting several amounts sought as reimbursement (see Schedule B). Following our review of the additional documentation, we re-classified eleven items totaling \$3,194.78 to Disallowable Expenses and fifty-three items totaling \$19,432.33 to Allowable Expenses.

Mr. Gary O. Bartlett

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Prism also provided documentation for additional travel and living expenses, totaling \$14,217.23, incurred by one of its employees. Based on our review of those expenses and supporting documentation, we identified \$9,143.56 as expenses previously claimed (see Schedule C). We classified the remaining \$5,073.67 expenses as Allowable Expenses.

In conclusion, we adjusted the balance in the Disallowable Expense category from \$38,240.93 to \$48,855.67, reduced the balance in the Questionable Expense category from \$45,154.78 to \$22,753.50, and classified \$89,518.22 as allowable travel and living expenditures.

Allowable expenses from initial review	\$ 62,742.51
Expenses reclassified from Disallowed to Allowable expenses	2,269.71
Expenses reclassified from Questionable to Allowable expenses	19,432.33
Allowable expenses from the additional expenses claimed	<u>5,073.67</u>
Total Allowable expenses:	<u><u>\$ 89,518.22</u></u>

We are presenting these results for your review. Also, we ask that you respond to this office by April 20, 1999 with your intentions of settling this matter with Prism. Your response will be included with the final version of the management letter.

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  
RESPONSE TO PRISM'S COMMENTS ON THE DISALLOWABLE TRAVEL AND LIVING EXPENSES  
AUGUST 1997 - DECEMBER 1998**

Date of Expense	Reason for Originally Disallowing Expense	Prism's Comments or Explanation	Response to Prism's Comments	Amount Disallowed	Amount Allowed	*Prism's Reference Exhibit
<b>Submitted for Steve Small:</b>						
07/18/98	Total expense amount for the week ended 7/18/97 is listed twice on the Expense Summary Sheet	This expense sheet is actually for 7/18/98 - \$374.47 is the total amount of the report, it is shown as the Grand Total as well as the Amount Due Employee	The \$374.47 was already classified as an allowable expense in the summary. This represents a second request for the same expenditures.	374.47		D1
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)	Steve Small paid \$807 each for Bob Small and Ed Pudlo to travel to Raleigh (\$269 is Steve Small's airfare)	Airfare expense for Bob Small & Ed Pudlo (\$260/person) already claimed on 8/4/97. Further, Exhibit D2 shows an airfare ticket for Steve Small, flight 442 on 8/4/97 to RDU & flight 1572 on 8/6/97 to IL. Exhibit D3 shows the same flights and dates for Steve Small at a cost of \$269. \$269 was the actual cost incurred for Small's flight, & \$807 was total for the 3 flights (Steve Small, Ed Pudlo, and Bob Small). See Exhibit D175 that shows the individual cost of the flights for Pudlo and Robert Small.	1,614.00		D2
08/06/97	Airfare expense on 8/6/97 (\$269) included with the airfare expense on 8/4/97 (\$807)	\$269 is Steve Small's airfare and is separate from the \$807 for Bob Small or Ed Pudlo – Steve Small also purchased a 2 <sup>nd</sup> ticket for \$807	See explanation above for 8/4/97 – total cost for all 3 tickets for Steve Small, Ed Pudlo, and Bob Small was \$807 (\$269/ticket) – all were on the same flight	269.00		D3
10/11/97	Purchase of a corrugated box from Office Depot in IL	Box for shipping documentation to NC State road show to demonstrate the product to various counties in NC	OK		6.61	D8
11/10/97	Purchase of DBMS/copy version 6.0 for Windows 95 from Innovative Solutions & Tech in MO; Shipped to IL	Purchase of DBMS/copy which was used to convert legacy voter record data	Per SBOE, purchases of computer hardware are not allowable expenses.	315.00		D13
12/03/97	Lunch & parking expenses incurred in IL	These expenses were in Raleigh – please refer to receipts previously provided	The parking expense receipt indicates parking in Raleigh. Receipt for lunch from Pizza Perfecto on 12/3/97 at 7:57PM – Pizza Perfecto not listed in Raleigh telephone directory nor registered	4.82	6.00	D23

\*These exhibits were provided by Prism in response to our management letter dated February 8, 1999. The exhibits are not included in this report.

## Schedule A (Continued)

Date of Expense	Reason for Originally Disallowing Expense	Prism's Comments or Explanation	Response to Prism's Comments	Amount Disallowed	Amount Allowed	Prism's Reference Exhibit
			for NC sales tax purposes. Hotel expense indicates leaving on 12/3/97 and parking expense receipt at Midway Airport (\$60) in IL indicates car picked up on 12/3/97			
12/04/97	Dinner expense incurred in IL	These expenses were in Raleigh – did not return to IL until 12/5	Need receipt for dinner – hotel expense indicates left Raleigh on 12/3/97, not 12/5/97	20.00		none
12/08/97	Hotel expense at the Sea Trail Plantation & Golf Resort in Sunset Beach, NC	Hotel expense for Election Officials conference where Mr. Small presented the election software to approximately 200 attendees and answered questions	OK		70.67	D29
12/09/97	Airfare, mileage & parking expenses for trip from TX to Wilmington, NC and IL	Hotel expense for Election Officials conference where Mr. Small presented the election software to 200 attendees and answered questions. See previously provided receipts.	OK		1,079.60	D30
01/10/98	Dinner expense claimed one day after returned from NC to IL – no receipt attached	This expense was in NC – see meal receipt or parking receipt	OK		31.35	D37
03/07/98	Movie billed to hotel	Movies are an acceptable expense at Prism & in many companies for example AT&T – see previously provided receipt	Additional expense for a movie in a hotel is not an acceptable expense for NC State government – considered an entertainment expense	9.49		D51
04/01/98	Purchased hardware – blanket (no invoice provided)	Furnishings for NC Corporate apartment – see invoice	OK		90.09	D60
04/02/98	Purchased hardware – SCSI Card/TV (no invoice provided)	Furnishing for NC Corporate apartment – see invoice previously provided	OK		423.98	D61
04/03/98	Purchased hardware – TV exchange	Furnishings for NC Corporate apartment	OK		27.54	D62
04/07/98	Purchased hardware – queen mattress & pad, shipped to Steve Small in IL	Furnishings for NC Corporate apartment	Exhibit 63 indicates the purchase of a queen mattress and pad, which were sold and shipped to Steve Small at 38W 601 Burr Rd, Saint Charles, IL. If purchases are for NC Corporate apartment, shipping invoice to NC needed.	194.95		D63

**Schedule A (Continued)**

<b>Date of Expense</b>	<b>Reason for Originally Disallowing Expense</b>	<b>Prism's Comments or Explanation</b>	<b>Response to Prism's Comments</b>	<b>Amount Disallowed</b>	<b>Amount Allowed</b>	<b>Prism's Reference Exhibit</b>
04/08/98	Purchased hardware – cookware for apartment (no invoice provided)	Furnishings for NC Corporate apartment – see invoice	OK		180.19	D64
04/10/98	Purchased hardware – keys (no invoice)	Furnishings for NC Corporate apartment – see invoice	Exhibit 65 indicates key purchased from Builders Square in Aurora, IL – how is this related to NC Corporate apartment?		6.40	D65
04/22/98	Purchased hardware – battery and connectors from Best Buy in Raleigh, NC	For network in NC apartment	Per SBOE, purchases of computer hardware are not allowable expenses.	34.96		D75
04/25/98	Purchased hardware from Mid West Computer & Consulting in IL – DTC IDE Controller, network card	Network hub used in NC apartment	Per SBOE, purchases of computer hardware are not allowable expenses.	269.45		D76
05/17/98	Purchased hardware from Office Depot in IL – office supplies, binders for class	Purchased for initial SBOE training class setup	OK		26.66	D85
05/18/98	Purchased hardware from Target – power strips for class	Purchased for initial SBOE training class setup	Per SBOE, purchases of computer hardware are not allowable expenses.	78.96		D86
05/19/98	Purchased hardware from Best Buy in Raleigh, NC – cable	Purchased for initial SBOE training class setup	Per SBOE, purchases of computer hardware are not allowable expenses.	22.14		D87
06/22/98	Airfare tickets (01611160397661 & 0161160397662) same as documented on 6/14/98	Same fare but a different trip – Tickets were bought in advance and overlapped	Exhibit D100 (credit card statement) lists ticket #0161160397661 for K Azarchi and ticket #0161160397662 for S Small. Steve Small's Week Expense Report for 6/14/98 has Karen Azarchi's passenger receipt attached with ticket #0161160397661 and his own passenger receipt attached with ticket #0161160397662. The supporting documentation provided for the 6/22/98 flights indicate they are the same flights as recorded on 6/14/98.	576.00		D100
07/26/98	Other expenses – rope, turner, spoon – purchased in Raleigh, NC	Furnishings for NC Corporate apartment	OK		11.59	D106
08/03/98	Airfare expense – invoice lists \$0.00 as the cost of the flight; Expense Report lists \$470 as the cost	\$0.00 was cost to change ticket - \$470 was original cost	Need receipt for the original cost – only receipt provided indicates a cost of \$0.00	470.00		D107

## Schedule A (Continued)

Date of Expense	Reason for Originally Disallowing Expense	Prism's Comments or Explanation	Response to Prism's Comments	Amount Disallowed	Amount Allowed	Prism's Reference Exhibit
08/14/98	Dinner expense – actual items purchased from Target (socks, smarties, axid ar, q-tips, tide, root beer, small bowls)	Furnishings for NC Corporate apartment	Exhibit D108 indicates only \$7.42 as the cost of furnishings for the NC Corporate apartment (small bowls, smarties, root beer). The remainder (\$23.91) spent on socks, axid ar, q-tips, & tide – personal expenses not entitled for reimbursement	23.91	7.42	D108
08/25/98	Airfare ticket (0161177697543) same as documented on 8/30/98	\$0.00 was cost to change ticket - \$288 was original cost	Need receipt for the original cost – only receipt provided indicates a cost of \$0.00. NOTE: The ticket #0161177697543 listed on Exhibit D110 for the 8/25/98 report is the same ticket # listed on the Passenger Receipt which is attached to Steve Small's Weekly Expense Report for 8/30/98 – cost of ticket was \$224.	288.00		D110
09/08/98	Airfare expense – invoice lists \$0.00 as the cost of the flight; Expense Report lists \$288 as the cost	\$0.00 was cost to change ticket - \$288 was original cost	Need receipt for the original cost – only receipt provided indicates a cost of \$0.00. NOTE: Exhibit D112 lists Small's ticket #0162128395257, which is the same ticket number on the boarding pass for Exhibit Q45.	288.00		D112
09/10/98	Purchased hardware – phone (unable to read receipt)	Furnishings for NC Corporate apartment	OK		137.78	D113
09/26/98	Purchased hardware – cooking equipment (unable to read receipt)	Furnishings for NC Corporate apartment	OK		11.20	D114
10/06/98	Other expenses purchased from Target in Raleigh, NC (no receipt, only credit card statement provided)	Furnishings for NC Corporate apartment	OK		42.78	D115
10/08/98	Other expenses purchased from Target in Raleigh, NC (no receipt, only credit card statement provided)	Furnishings for NC Corporate apartment	Receipt needed	105.87		D116
10/19/98	Airfare expense – invoice lists \$0.00 as the cost of the flight; Expense Report lists \$570 as the cost	\$0.00 was cost to change ticket - \$570 was original cost	Need receipt for the original cost – only receipt provided indicates a cost of \$0.00	570.00		D120
11/04/98	Purchased hardware from Office Max in Raleigh, NC – HP compatible	Laser Printer cartridge for laser printer in NC apartment	OK		85.85	D123

## Schedule A (Continued)

Date of Expense	Reason for Originally Disallowing Expense	Prism's Comments or Explanation	Response to Prism's Comments	Amount Disallowed	Amount Allowed	Prism's Reference Exhibit
<b>Submitted for Karen Azarchi:</b>						
3/26/98	Purchased hardware from Insight in AZ – 2 jazz drives, 3 jazz travelers (no invoice, only credit card statement)	Equipment used to transfer county data conversions between IL & NC computer systems – credit card statement shows vendor, date, and amount	Per SBOE, purchases of computer hardware are not allowable expenses.	609.84		D137
06/07/98	Airfare expense same as reported on 6/13/98 (ticket #010617390405)	This is an administrative fee charged to change the travel time of the ticket	Weekly Expense Report lists a \$75 charge on 6/7/98 & another \$75 charge on 6/13/98. Only one receipt provided with ticket #010617390405; American Express statement provided lists the same ticket number. Need another receipt if a 2 <sup>nd</sup> \$75 charge	75.00		D145
06/27/98	Other expense – purchases at Target in Raleigh, NC (only provided credit card statement – no invoice)	Furnishings for NC Corporate apartment	Receipt needed	51.66		D147
08/03/98	Discrepancy in apartment rent expense – Hamilton Ridge Apts- rent payments listed separately on Expense Summary Sheet	This represents an additional fee charged by Hamilton Ridge Apartments	OK		24.00	D153
09/04/98	Other expense – Time Warner cable (TBS, HBO, Cinemax, Showtime, the Disney Channel)	Furnishings for NC Corporate apartment	Cablevision is not an allowable expense - considered an entertainment expense.	140.35		D154
<b>Submitted for Michael Berry:</b>						
02/03/98	Hotel expense includes 2 movies	Movies are an acceptable expense	Additional expense for movies in a hotel is not an acceptable expense for NC State government – considered an entertainment expense	18.98		D164
<b>Submitted for Gary Sprigg:</b>						
1/22/98	Other expense–purchase of a printer cable	Printer cable for use at NC customer site	Per SBOE, purchases of computer hardware are not allowable expenses.	26.43		D172
<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	This is a different trip than that reported by Steve Small – tickets were purchased at approximately the same time	Exhibit D175 indicates Pudlo's flight 442 on 8/4/97 from IL to RDU, and flight 1572 on 8/6/97 from RDU to IL. The invoice attached to Steve Small's Expense Report (Exhibit D2) on 8/4/97 lists the same flights, dates, and time.	269.00		D175



**Schedule A (Concluded)**

<b>Date of Expense</b>	<b>Reason for Originally Disallowing Expense</b>	<b>Prism's Comments or Explanation</b>	<b>Response to Prism's Comments</b>	<b>Amount Disallowed</b>	<b>Amount Allowed</b>	<b>Prism's Reference Exhibit</b>
08/12/97	Airfare expense also listed on Steve Small's Expense Report on 8/4/97	This is a different trip than that reported by Steve Small – tickets were purchased at approximately the same time	Exhibit D176 indicates Robert Small's flight 442 on 8/4/97 from IL to RDU, and flight 1572 on 8/6/97 from RDU to IL. The invoice attached to Steve Small's Expense Report (Exhibit D2) on 8/4/97 lists the same flights, dates, and time.	269.00		D176
<b>Totals</b>				\$6,989.28	\$2,269.71	

**SCHEDULE B  
RESPONSE TO PRISM'S COMMENTS ON THE QUESTIONABLE TRAVEL AND LIVING EXPENSES  
AUGUST 1997 - DECEMBER 1998**

Date of Expense	Reason for Originally Disallowing Expense	Prism's Comments or Explanation	Response to Prism's Comments	Amount Disallowed	Amount Questioned	Amount Allowed	*Prism's Reference Exhibit
<b>Submitted for Steven Small:</b>							
09/03/97	Missing receipt for Airfare expense – provided only Boarding pass w/o cost	E-ticket used for air-travel – This expense report was actually dated 9/3/97 – ticket cost was actually \$932.00 – See copy of boarding pass	OK			932.00	Q1
09/17/97	Lunch, mileage & transportation expenses incurred in IL, purpose of expenses listed as CBEC/O'Hare –NC State visit	These expenses relate to the site visit by SBOE staff to the City of Chicago to see the VoterView system in operation at that site	OK			250.73	Q2
09/23/97	Missing receipt for Airfare expense – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		978.00		Q3
09/29/97	Missing receipt for Airfare expense – provided only credit card statement. Airfare from IL to RDU to FL to IL.	Credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		1,129.14		Q4
10/16/97	Missing receipt for Airfare expense	E-ticket used for air-travel – Credit card statement shows vendor, date of purchase, and cost.	Receipt needed for airfare expense.		213.00		Q5
11/12/97	Unable to read copy of Airfare receipt	See non-faxed copy of receipt	OK			213.00	Q6
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.	Steve Small paid hotel expense for all three individuals	It's unclear as to who stayed in the third room since Steve returned to IL on 1/9/88.		110.88	571.99	Q7
01/22/98	Unable to read receipt for Airfare expense	See non-faxed copy of receipt	Exhibit Q8 shows a flight from Cincinnati, OH (CVG) to Chicago, IL.	332.00			Q8
01/26/98	Missing receipt for Airfare expense – provided only Boarding pass w/o cost	E-ticket used for air-travel – See attached copy of ticket	OK			494.00	Q9
02/18/98	Missing receipt for Airfare expense	E-ticket used for air-travel – Credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		434.00		Q10
02/23/98	Missing receipts for Transportation (\$458.75) and Hotel (\$255.89) expenses; Expense Report includes other hotel expenses covering the entire week	E-ticket used for air-travel – Ticket attached; \$255.89 receipt from Raleigh Plaza is attached to expense sheet	OK			714.64	Q11

**\*These exhibits were provided by Prism in response to our management letter dated February 8, 1999. The exhibits are not included with this report.**

## Schedule B (Continued)

Date of Expense	Reason for Originally Disallowing Expense	Prism's Comments or Explanation	Response to Prism's Comments	Amount Disallowed	Amount Questioned	Amount Allowed	Prism's Reference Exhibit
02/23/98	Missing receipt for Airfare expense for G. Sprigg – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		980.00		Q12
02/25/98	Other expense – Missing receipt for hotel for Kevin Dotzenrod – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK			334.50	Q13
02/26/98	Missing receipt for Airfare expense – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		494.00		Q14
03/2/98	Other expense – Missing receipt for Airfare expenses for Small & Azarchi – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		572.00		Q15
03/16/98	Missing receipt for Airfare expense – provided credit card statement and boarding pass	Credit card statement shows vendor, date of purchase, and cost	OK – since also provided boarding pass.			494.00	Q16
03/19/98	Missing receipt for Airfare expense – provided credit card statement and boarding pass	Credit card statement shows vendor, date of purchase, and cost	OK – since also provided boarding pass.			437.00	Q17
03/20/98	No explanation for \$55 included in the Transportation expense total (\$1027)	Car rental	Exhibit Q18 lists a car rental charge of \$55.70, which is included on the Weekly Expense Report on 3/19/98. The questioned \$55 is another charge on 3/20/98 included in the \$1027 Transportation expense.		55.00		Q18
03/20/98	Missing receipt for Airfare expense for Karen Azarchi and Steve Small – provided credit card statement and boarding pass	Credit card statement shows vendor, date of purchase, and cost	OK – since also provided boarding pass.			972.00	Q19
03/22/98	Dinner expense appears to have been in IL–unable to read receipt	Non-faxed receipt is readable	Exhibit 20 for the \$24.04 meal expense still unreadable.		24.04		Q20
03/24/98	Missing receipt for Airfare expense for Karen Azarchi – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		494.00		Q21
03/26/98	Airfare expense incurred from trip from NC to OH, then OH to IL (no receipt provided, only credit card statement)	Credit card statement shows vendor, date of purchase, and cost	OK – since also providing boarding pass.			606.00	Q22
03/28/98	Missing receipt for Airfare expense for Karen Azarchi – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		486.00		Q23

**Schedule B (Continued)**

<b>Date of Expense</b>	<b>Reason for Originally Disallowing Expense</b>	<b>Prism's Comments or Explanation</b>	<b>Response to Prism's Comments</b>	<b>Amount Disallowed</b>	<b>Amount Questioned</b>	<b>Amount Allowed</b>	<b>Prism's Reference Exhibit</b>
03/30/98	No explanation for \$55 included in Other expense	Limo charge	Receipt needed for expense.		55.00		Q24
03/30/98	Missing receipt for Airfare expense – provided only passenger itinerary, no cost listed	E-ticket used for air travel – See attached copy of ticket	OK			980.00	Q25
03/31/98	Missing receipt for Airfare expense for Karen Azarchi – no documentation provided	E-ticket used for air travel – credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		266.00		Q26
04/06/98	Missing receipt for Airfare expense for Steve Small and Karen Azarchi (actually flight for 4/21/98, not 4/6/98) – provided only credit card statement (also reported Airfare expense on the 4/21/98 Weekly Expense Report	E-ticket used for air travel – credit card statement shows vendor, date of purchase and cost	Receipt needed for airfare expense.		448.00		Q27
04/14/98	Missing receipt for Airfare expense for Steve Small and Karen – provided only credit statement	Credit card statement shows vendor, date of purchase, and cost	Receipt needed for airfare expense.		536.00		Q28
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 the 4/6/98 Weekly Expense Report)	Credit card statement shows vendor, date of purchase, and cost	Receipt needed since credit card statement does not show destination of flights – also, other flights for 4/21/98 recorded on the 4/6/98 Weekly Expense Report.		588.00		Q29
04/23/98	Missing receipt for Car Rental expense – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK			274.51	Q30
05/31/98	Airfare expense – from IL to RDU, 6/1; from RDU to AZ, 6/2; from AZ to IL, 6/17	Went to AZ on return trip from RDU to IL – cost comparable or less	Amount of ticket \$893.50 is greater than average cost of airfare tickets (\$244) for flights from IL to RDU and back to IL claimed during 5/98 & 6/98 – difference of \$649.50 (\$893.50-\$244).	649.50		244.00	Q35
06/12/98	Missing receipt for Airfare expense (no documentation provided)	E-ticket used for air travel – credit card statement shows vendor, date of purchase and cost – cost should have been \$576 but had previously neglected to add Karen Azarchi's airfare to expense sheet	OK			576.00	Q36
06/24/98	Missing receipt for Airfare expense – no documentation provided	E-ticket used for air travel – credit card statement shows vendor, date of purchase and cost	This credit card statement (Exhibit Q37) does not show travel dates or location of flight – can not confirm flight to or from RDU.		244.00		Q37

**Schedule B (Continued)**

<b>Date of Expense</b>	<b>Reason for Originally Disallowing Expense</b>	<b>Prism's Comments or Explanation</b>	<b>Response to Prism's Comments</b>	<b>Amount Disallowed</b>	<b>Amount Questioned</b>	<b>Amount Allowed</b>	<b>Prism's Reference Exhibit</b>
07/06/98	Missing receipt for Airfare expense – only provided Boarding pass without cost	E-ticket used for air travel – credit card statement shows vendor, date of purchase and cost	Exhibit Q38 identifies a ticket issued to K Azarchi for a flight on 6/28 (ticket #01611603976614). This ticket # is the same one as the passenger receipt for Karen Azarchi which is attached to Steve Small's 6/14/98 Weekly Expense Report. Based on documentation provided, the cost of this flight was recorded on Small's 6/14/98.	288.00			Q38
07/17/98	Missing receipt for Airfare expense – only provided Boarding pass without cost	E-ticket used for air travel – credit card statement shows vendor, date of purchase and cost	Exhibit Q39 lists a flight on United Airlines departing on 6/28/98. The ticket # 01611603976625 is the same ticket # shown in Exhibit D100 recorded on the 6/14/98 Weekly Expense Report. Further, the boarding pass attached to the 7/17/98 Weekly Expense Reports shows a flight on American Airlines, not United, with the flight departing on 7/17/98.		288.00		Q39
07/20/98	Missing receipt for Airfare expense – only provided Boarding pass without cost	E-ticket used for air travel – Cost was actually \$461.00 (\$433.00 original cost plus \$31.00 change fee). Credit card statement shows vendor, date of purchase and cost.	This credit card statement (Exhibit Q41) does not show travel dates or location of flight – can not confirm flight to or from RDU.		461.00		Q41
07/21/98	Rental car with Avis – why when leasing a Toyota	Prism employees needed to visit two separate counties in NC at the same time	OK			54.93	Q42
08/19/98	Unable to read receipt for rental car/gas expense	See non-faxed copy of receipt	OK			14.63	Q43
08/21/98	Missing receipt for Airfare expense	E-ticket used for air travel – Boarding pass shows date of travel	Need a receipt which shows the actual cost of the flight.		288.00		Q44
08/30/98	Airfare expense claimed is \$470 – only provided receipt for one flight costing \$244	E-ticket used for air travel – Boarding pass shows date of travel	Need a receipt that shows the actual cost of the flight. NOTE: Exhibit Q45 shows one boarding pass with ticket #0162128395257 which was the ticket # on Exhibit D112.		246.00		Q45
09/08/98	Other expense – no explanation or receipt	Supplies for NC apartment	OK			8.87	Q46
09/09/98	Other expense – no explanation or receipt	Supplies for NC apartment	OK			14.26	Q47

**Schedule B (Continued)**

<b>Date of Expense</b>	<b>Reason for Originally Disallowing Expense</b>	<b>Prism's Comments or Explanation</b>	<b>Response to Prism's Comments</b>	<b>Amount Disallowed</b>	<b>Amount Questioned</b>	<b>Amount Allowed</b>	<b>Prism's Reference Exhibit</b>
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)	Wake County provided office space for programmers and NC State computer equipment – these are the phone charges that were reimbursed to Wake County	OK			1,005.86	Q48
09/12/98	AOL service	E-mail account for NC Apartment	OK			21.95	Q50
09/28/98	Missing receipt for parking expense	Airport parking	OK			72.00	Q52
09/28/98	Missing receipt for Airfare expense (no documentation included)	E-ticket used for air travel	Exhibit Q53 lists a boarding pass for Steven Small for a flight on 9/27 & ticket #0162129040201. Attached to Steve Small's Weekly Expense Report for 10/4/98 is an invoice for ticket #0162129040201 – a flight on 9/27 for Steven Small for \$270.20. Based on documentation provided, the cost of this flight was recorded on 10/4/98.	288.00			Q53
09/30/98	Missing receipt for rental car/gas expense	Receipt attached to expense report	OK			13.56	Q54
10/01/98	Missing receipt for parking expense	Receipt attached to expense report	OK			28.00	Q55
11/08/98	Missing receipt for Airfare expense – only provided Boarding passes	E-ticket used for air travel – Credit card statement shows vendor, date of purchase and cost	Exhibit Q56 shows credit card transactions for Steven Small, ticket #0162130235979 and #0162130747041. Attached to Steven Small's Weekly Expense Report on 10/26/98 is a passenger receipt for Small, with the ticket # 0162130235979 and on Small's 11/2/98 Weekly Expense Report, is a passenger receipt for Small with the ticket #0162130747041. Based on the documentation provided, the costs of these flights were recorded on 10/26/98 and 11/2/98.	540.00			Q56
12/10/98	Missing receipt for Airfare expense – only provided boarding pass	E-ticket used for air travel – credit card statement shows vendor, date of purchase and cost	Exhibit Q57 shows a credit card transactions for Steven Small, tickets #0162131116567 and #0162131229811. Attached to Steve Small's Weekly Expense Report on 11/17/98 Weekly Expense Report are passenger receipts for Small with the ticket	270.00			Q57

**Schedule B (Continued)**

<b>Date of Expense</b>	<b>Reason for Originally Disallowing Expense</b>	<b>Prism's Comments or Explanation</b>	<b>Response to Prism's Comments</b>	<b>Amount Disallowed</b>	<b>Amount Questioned</b>	<b>Amount Allowed</b>	<b>Prism's Reference Exhibit</b>
			#0162131116567 and #0162131229811. Based on the documentation provided, the costs of these flights were recorded on 11/17/98.				
12/15/98	Missing receipt for Airfare expense – no documentation provided	E-ticket used for air travel – Credit card statement shows vendor, date of purchase and cost	Exhibit Q58 is a duplicate of Exhibits Q56 and Q57. The cost of the four tickets on Exhibit Q58 were recorded on Steve Small's Weekly Expense Report on 10/26, 11/2, and 11/17. Based on the documentation provided, the costs of these flights were previously recorded.	270.00			Q58
12/16/98	Other expenses – National Mail Services, Carolina Power and Light (unable to read receipt)	See non-faxed copy of receipt	OK			169.02	Q59
12/23/98	Missing receipt for Airfare expense – only provided Boarding pass	E-ticket used for air travel – Credit card statement shows vendor, date of purchase and cost	Exhibit Q59 is a duplicate of Exhibits Q56 and Q57. The cost of the four tickets on Exhibit Q59 were recorded on Steve Small's Weekly Expense Report on 10/26, 11/2, and 11/17. Based on the documentation provided, the costs of these flights were previously recorded.	270.00			Q60
<b>Submitted for Karen Azarchi:</b>							
02/06/98	Missing receipts for Airfare expense (2 tickets) – provided only credit card statement (American Air)	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q61) does not show travel dates or location of flight – can not confirm flight to or from RDU.		1960.00		Q61
02/20/98	Airfare expense claimed is \$980 – only provided receipt for one flight costing \$490 & credit card statement	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q63) does not show travel dates or location of flight – can not confirm flight to or from RDU.		490.00		Q63
02/25/98	Missing receipt for Hotel expense – provided only credit card statement	Credit card statement shows vendor, date of purchase	OK			119.98	Q64
02/28/98	Missing receipt for Hotel expense – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK			323.25	Q65
03/29/98	Other expense – Security deposit for an apartment – has it been refunded?	No, this has not been refunded	Hamilton Ridge Apartments will refund the security deposit directly to Prism.	200.00			



**Schedule B (Continued)**

<b>Date of Expense</b>	<b>Reason for Originally Disallowing Expense</b>	<b>Prism's Comments or Explanation</b>	<b>Response to Prism's Comments</b>	<b>Amount Disallowed</b>	<b>Amount Questioned</b>	<b>Amount Allowed</b>	<b>Prism's Reference Exhibit</b>
04/16/98	Airfare expense for NC to FL (listed on Expense Report on 4/15/98)	Went to FL rather than home to Chicago – cost comparable or less	OK			328.27	Q68
04/18/98	Airfare expense from FL to NC (listed on Expense Report on 4/17/98)	Went to FL rather than home to Chicago – cost comparable or less	OK			331.27	Q69
05/22/98	Missing receipt for Airfare expense – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q70) does not show travel dates or location of flight – can not confirm flight to or from RDU.		220.00		Q70
06/21/98	Missing receipt for Airfare expense for Azarchi and Steve Small – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q70) does not show travel dates or location of flight – can not confirm flight to or from RDU.		988.00		Q71
06/26/98	Other expense – cable in NC (no invoice provided)	SCSI cable for connecting JAZZ drive	Credit card statement refers to a charge to Time Warner Cable in Raleigh for \$76.51 – this appears to be cablevision bill for the apartment – not a cable for connecting JAZZ drive. This is not considered an allowable expense.	76.51			Q72
07/07/98	Dinner expense includes Hoover Vacuum and utility cart purchase from Harris Teeter	Furnishing for NC Apartment	OK for Hoover Vacuum and utility cart; however, Exhibit Q73 also lists cigarette and tums purchases which would not be reimbursable expenses.	10.77		71.00	Q73
07/08/98	Missing receipt for Airfare expense – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q74) does not show travel dates or location of flight – can not confirm flight to or from RDU.		373.00		Q74
07/17/98	Missing receipt for Airfare expense (2 tickets) – provided only credit card statement (ATA Air)	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q75) does not show travel dates or location of flight – can not confirm flight to or from RDU.		482.00		Q75
07/30/98	Missing receipt for Airfare expense – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q76) does not show travel dates or location of flight – can not confirm flight to or from RDU.		254.00		Q76
08/12/98	Missing receipt for Airfare expense (4 tickets) – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q77) does not show travel dates or location of flight – can not confirm flight to or from RDU.		216.00		Q77

## Schedule B (Continued)

Date of Expense	Reason for Originally Disallowing Expense	Prism's Comments or Explanation	Response to Prism's Comments	Amount Disallowed	Amount Questioned	Amount Allowed	Prism's Reference Exhibit
08/19/98	Missing receipt for Airfare expense – provided only credit card statement	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q78) does not show travel dates or location of flight – can not confirm flight to or from RDU.		303.00		Q78
08/24/98	Missing receipt for Airfare expense – provided only credit card statement (Continental)	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q79) does not show travel dates or location of flight – can not confirm flight to or from RDU.		180.75		Q79
10/01/98	Missing receipt for Airfare expense – provided only credit card statement (American Air)	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q80) does not show travel dates or location of flight – can not confirm flight to or from RDU.		270.00		Q80
10/11/98	Missing receipt for Airfare expenses for 2 charges (\$270, \$75) – provided only credit card statement (United)	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q81) does not show travel dates or location of flight – can not confirm flight to or from RDU.		345.00		Q81
11/10/98	Missing receipt for phone expense	Credit card payment of phone bill	OK			365.96	Q82
11/20/98	Missing receipt for Airfare expense – provided only credit card statement (American)	Credit card statement shows vendor, date of purchase, and cost	This credit card statement (Exhibit Q83) does not show travel dates or location of flight – can not confirm flight to or from RDU.		200.00		Q83
<b>Submitted for Tom DePage:</b>							
11/14/97	Missing receipt for transportation expense	Taxi between Raleigh Plaza and RDU	Receipt needed.		35.00		None
12/05/97	Missing receipt for transportation expense	Taxi between Raleigh Plaza and RDU	Receipt needed.		25.00		None
<b>Submitted for Robert Smith:</b>							
11/24/97	Missing receipt for Airfare expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK – since Exhibit Q88 is the passenger receipt.			213.00	Q88
12/08/97	Missing receipt for Airfare expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK – since Exhibit Q89 is the passenger receipt.			980.00	Q89
12/11/97	Missing receipt for Hotel expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK			61.60	Q90
12/12/97	Missing receipt for Hotel expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK			70.98	Q91
12/14/97	Missing receipt for Airfare expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK –since Exhibit Q92 is the passenger receipt.			980.00	Q92
12/20/97	Missing receipt for Hotel expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK			400.02	Q93

**Schedule B (Continued)**

<b>Date of Expense</b>	<b>Reason for Originally Disallowing Expense</b>	<b>Prism's Comments or Explanation</b>	<b>Response to Prism's Comments</b>	<b>Amount Disallowed</b>	<b>Amount Questioned</b>	<b>Amount Allowed</b>	<b>Prism's Reference Exhibit</b>
01/09/98	Missing receipt for Airfare expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK –since Exhibit Q94 is the passenger receipt.			980.00	Q94
01/21/98	Missing receipt for Hotel expense – only provided credit card statement which indicated \$177.61 charge occurring on 1/21/98 and a separately listed \$400 charge occurring on the same date	The \$400.02 expense was for lodging ending on 12/20/97 and the \$177.61 was for lodging ending on 1/21/98 both at the Raleigh Plaza – Hotel receipts can be provided	OK.			577.61	Q95
02/19/98	Missing receipt for Airfare expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK –since Exhibit Q96 is the passenger receipt.			980.00	Q96
02/20/98	Missing receipt for Hotel expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK			133.67	Q97
03/12/98	Missing receipt for Airfare expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK – since Exhibit Q98 is the passenger receipt.			980.00	Q98
03/14/98	Missing receipt for Hotel expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK			61.60	Q99
07/17/98	Missing receipt for Airfare expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK – since Exhibit Q100 is the customer receipt.			75.00	Q100
07/21/98	Missing receipt for Airfare expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK – since Exhibit Q101 is the customer receipt.			187.00	Q101
07/27/98	Missing receipt for Airfare expense – only provided credit card statement	Credit card statement shows vendor, date of purchase, and cost	OK –since Exhibit Q102 is the customer receipt.			229.00	Q102
<b>Other Individually Listed Expenses:</b>							
04/01/98	Bell South – Missing invoice	See attached invoice	OK			197.35	Q103-Q108
06/01/98	Bell South – Missing invoice	See attached invoice	OK			269.69	Q103-Q108
08/01/98	Bell South – Missing invoice	See attached invoice	OK			200.97	Q103-Q108
10/01/98	Bell South – Missing invoice	See attached invoice	OK			94.76	Q103-Q108
11/01/98	Bell South–Missing invoice- Payment of \$365.96 to Bell South, dated 11/10/98, also included on Azarchi's Expense Report	\$365.96 payment was made via credit card and is in addition to \$261.00 – see attached set of invoices	OK			261.00	Q103-Q108
12/01/98	Bell South – Missing invoice	See attached set of invoices	OK			217.90	
04/01/98	Car lease, Raleigh – Missing invoice/lease agreement concerning payment	Car lease was provided in 2 <sup>nd</sup> package	Need additional documentation showing amount paid to Southeast Toyota Finance and relationship of expenses to contract.		818.71		

**Schedule B (Concluded)**

<b>Date of Expense</b>	<b>Reason for Originally Disallowing Expense</b>	<b>Prism's Comments or Explanation</b>	<b>Response to Prism's Comments</b>	<b>Amount Disallowed</b>	<b>Amount Questioned</b>	<b>Amount Allowed</b>	<b>Prism's Reference Exhibit</b>
06/01/98	Car lease, Raleigh – Missing invoice/lease agreement concerning payment	Car lease was provided in 2 <sup>nd</sup> package	Need additional documentation showing amount paid to Southeast Toyota Finance and relationship of expenses to contract.		818.71		
08/01/98	Car lease, Raleigh – Missing invoice/lease agreement concerning payment	Car lease was provided in 2 <sup>nd</sup> package	Need additional documentation showing amount paid to Southeast Toyota Finance and relationship of expenses to contract.		387.74		
09/01/98	Car lease, Raleigh – Missing invoice/lease agreement concerning payment	Car lease was provided in 2 <sup>nd</sup> package	Need additional documentation showing amount paid to Southeast Toyota Finance and relationship of expenses to contract.		387.74		
10/01/98	Car lease, Raleigh – Missing invoice/lease agreement concerning payment	Car lease was provided in 2 <sup>nd</sup> package	Need additional documentation showing amount paid to Southeast Toyota Finance and relationship of expenses to contract.		407.13		
11/01/98	Car lease, Raleigh – Missing invoice/lease agreement concerning payment	Car lease was provided in 2 <sup>nd</sup> package	Need additional documentation showing amount paid to Southeast Toyota Finance and relationship of expenses to contract.		633.91		
12/01/98	Car lease, Raleigh – Missing invoice/lease agreement concerning payment	Car lease was provided in 2 <sup>nd</sup> package	Need additional documentation showing amount paid to Southeast Toyota Finance and relationship of expenses to contract.		1466.56		
04/01/98	Nationwide Insurance – no invoice for this amount; documentation provided indicates policy issued on 5/8/98	Copy of cancelled check can be provided	Supporting documentation showing the insurance policy and amount paid is needed.		462.20		
05/01/98, 06/01/98, 09/01/98	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	Copy of cancelled check can be provided	Supporting documentation showing the insurance policy and amount paid is needed.		354.99		
			<b>Totals</b>	<b>\$3,194.78</b>	<b>\$22,753.50</b>	<b>\$19,432.33</b>	

**SCHEDULE C  
DISALLOWABLE TRAVEL AND LIVING EXPENSES CONCERNING THE ADDITIONAL EXPENSES  
SUBMITTED FOR ROBERT SMALL  
AUGUST 1997 - JULY 1998**

Date of Expense	Reasons for Disallowing Expenses	Amount of the Expense
<b>Additional expenses submitted for Robert Small:</b>		
08/04/97	Transportation expense for Robert Small and Ed Pudlo – these airfare expenses for flights 442 on 8/4/97 and 1572 on 8/6/97 were claimed previously on Steve Small's Weekly Expense Report on 8/4/97 (\$807)	269.00
08/04/97	Dinner expense – claimed previously on Weekly Expense Report submitted for Robert Small on 8/6/97	44.95
08/07/97	Dinner expense – claimed previously on Weekly Expense Report submitted for Robert Small on 8/9/97	16.23
09/10/97	Rental car/gas expense – claimed previously on Weekly Expense Report submitted for Robert Small on 9/10/97	48.40
11/24/97	Transportation expense – actual cost of airfare was \$213 – claimed previously on Weekly Expense Report submitted for Robert Small on 11/24/97	233.00
11/25/97	Hotel expense – claimed previously on Weekly Expense Report submitted for Robert Small on 11/25/97	85.00
11/26/97	Hotel expense – claimed previously on Weekly Expense Report submitted for Robert Small on 11/26/97	61.60
11/26/97	Rental car/gas expense – claimed previously on Weekly Expense Report submitted for Robert Small on 11/25 & 11/26	132.10
12/06/97	Gas expense – Weekly Expense Report shows Robert Small arriving to RDU on 12/2 and leaving for IL on 12/3 – the gas expense on 12/6/97 does not appear to be from NC	16.79
12/08/97	Transportation expense - \$980 airfare expense claimed previously on Weekly Expense Report submitted for Robert Small on 12/8/97	980.00
12/09/97	Hotel expense – claimed previously on Weekly Expense Report submitted for Robert Small on 12/11/97	61.60
12/10/97	Hotel expense – claimed previously on Weekly Expense Report submitted for Robert Small on 12/12/97	70.98
12/13/97	Transportation expense - \$980 airfare expense claimed previously on Weekly Expense Report submitted for Robert Small on 12/14/97	980.00
12/13/97	Hotel expense – claimed previously on Weekly Expense Report submitted for Robert Small on 12/20/97	400.02
12/15/97	Dinner expense – claimed previously on Weekly Expense Report submitted for Robert Small on 12/15/97	23.00
12/16/97	Dinner expense – claimed previously on Weekly Expense Report submitted for Robert Small on 12/16/97	20.05
12/17/97	Dinner expense – claimed previously on Weekly Expense Report submitted for Robert Small on 12/17/97	22.96
01/09/98	Transportation expense - \$980 airfare expense claimed previously on Weekly Expense Report submitted for Robert Small on 1/9/98	980.00
01/20/98	Hotel expense – claimed previously on Weekly Expense Report submitted for Robert Small on 1/20/98	577.61
02/06/98	Transportation expense – claimed previously on Weekly Expense Report submitted for Karen Azarchi on 2/6/98 (same flight number, ticket number)	980.00

**Schedule C (Concluded)**

Date of Expense	Reasons for Disallowing Expenses	Amount of the Expense
02/09/98	Transportation expense – documentation of airfare shows a flight for Robert Small from IL to RDU on 2/9, 6:15am (ticket #012150526649); however, the Weekly Expense Report for Karen Azarchi on 2/6/98 lists an airfare expense for Robert Small for a flight from RDU to IL on 2/6 and a flight from IL to RDU on 2/9 (ticket #012150526649). It's unclear as to which flight Small took.	494.00
02/18/98	Hotel expense – claimed previously on Weekly Expense Report submitted for Robert Small on 2/20/98	133.67
02/19/98	Transportation expense - \$980 airfare expense claimed previously on Weekly Expense Report submitted for Robert Small on 2/19/98	980.00
03/12/98	Hotel expense – claimed previously on Weekly Expense Report submitted for Robert Small on 3/14/98	61.60
03/12/98	Transportation expense - \$980 airfare expense claimed previously on Weekly Expense Report submitted for Robert Small on 3/12/98	980.00
07/17/98	Transportation expense - claimed previously on Weekly Expense Report submitted for Robert Small on 7/17/98	75.00
07/21/98	Transportation expense - claimed previously on Weekly Expense Report submitted for Robert Small on 7/21/98	187.00
07/28/98	Transportation expense - claimed previously on Weekly Expense Report submitted for Robert Small on 7/27/98	229.00
<b>Total</b>		<b>\$9,143.56</b>



**STATE BOARD OF ELECTIONS**

133 Fayetteville Street Mall  
Suite 100  
Raleigh, North Carolina 27601

GARY O. BARTLETT  
Executive Secretary-Director

April 27, 1999

Mailing Address:  
P.O. BOX 2169  
RALEIGH, NC 27602  
(919) 733-7173  
FAX (919) 715-0135

The Honorable Ralph Campbell, Jr.  
State Auditor  
300 N. Salisbury Street  
Raleigh, NC 27603-5903

Dear Mr. Campbell:

Thank you for the review of documentation submitted by Prism Systems, Inc. in support of its claim for reimbursement of work expenses on the SEIMS project.

After review of your management letter and attached schedules we have issued to Prism Systems, Inc. a check in the amount of \$24,676.49 which represents 92.16% of the reclassified and additional expenses.

Sincerely,

A handwritten signature in cursive script that reads "Gary O. Bartlett".

Gary O. Bartlett  
Executive Secretary-Director