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11/26/86

Summary Report of SA

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EDWARD LEE HOWARD, aka



ESPIONAGE - RUSSIA

SECTION IV of VI, containing pages 948 through 1310

DECLASSIFIED BY 60324 UC BAW/RS/YMW
ON 05-26-2008

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Classified by: G-3
Declassify on: OADR

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HOTEL AND AIRLINE INFORMATION

RE HOWARD'S TRAVELS

DATE: 05-26-2008
CLASSIFIED BY 60324 UC BAW/RS/YMW
REASON: 1.4 (c)
DECLASSIFY ON: 05-26-2033
CLASSIFICATION PER OGA LETTER
DATED 05-05-2008

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

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FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 10/18/85

On September 16, 1986, [redacted] Warwick Hotel, 4th and Lenora, Seattle, Washington, provided the attached copy of EDWARD HOWARD's hotel bill for his stay at the Warwick Hotel from September 14 - 15, 1985.

[redacted] advised that the reservation for this room was made by Mr. HOWARD telephonically from Santa Fe, New Mexico on August 25, 1985.

[redacted] also advised that there are no numbers available for local calls made by hotel guests during their stay. The one long-distance telephone call made by HOWARD is noted on his hotel bill.

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Investigation on 9/16/85 at Seattle, Washington

SE 65A-4098-72

by SA [redacted] lah

Date dictated 9/18/85

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DN 65A-1431
AES:caw

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- 1 -

The following investigation was conducted by SA
 at Colorado Springs, Colorado, on September 23,
1985:

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Flight records for the following airlines were
reviewed at the COLORADO SPRINGS MUNICIPAL AIRPORT under the
names EDWARD LEE HOWARD, EDWARD L. HOUSTON, RODGER SHANNON,
and PATRICK BRIAN without locating any records:

ROCKY MOUNTAIN

AMERICA WEST

FRONTIER

CONTINENTAL

ASPEN

AMERICAN

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~~Classified by G 3; Declassify on OADR~~

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BH 65A-1451
GLH:cck

The following investigation was conducted at the
HUNTSVILLE, ALABAMA JETPORT by Special Agent [REDACTED]
[REDACTED]

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On September 25, 1985, representatives of the following airlines were contacted with negative results, re EDWARD LEE HOWARD:

- 1 - AMERICAN
- 2 - ASA
- 3 - EASTERN
- 4 - REPUBLIC
- 5 - UNITED

Representatives of the above listed airlines were given HOWARD's true name and aliases: Patrick Brian, Edward L. Houston, and Roger K. Shannon.

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NO 65A-2392
BDC:rsg
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The following investigation was conducted by SA []
[] on September 27, 1985:

New Orleans International Airport (NOIA) Aviation
[] advised that the only carrier out
of New Orleans with direct service to Mexico is Eastern Airlines.

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[] Eastern Airlines []
NOIA, stated that during the period February 27 - March 6, 1984,
and at the present, Eastern Airlines serves Cancun, Mexico, with
direct flights. However, all past passenger information is maintained
at the Eastern Airlines home office, Miami International Airport,
Miami, Florida. Inquiries should be directed to Past Date Records
Division, telephone 305/873-7277.

Other airlines serving Central and South America
out of NOIA include: Continental Airlines, LACSA, SAHSA, and
TACA. Contact with representatives from those airlines revealed
no reservations made during the period September 20 - October 1,
1985, for EDWARD LEE HOWARD or any of his aliases, Patrick Brian,
Edward L. Houston, or Roger K. Shannon. Requests for information
for the period February 27 - March 6, 1984, must be directed
to the home office of those airlines where past passenger records
are in storage.

SEPTEMBER 30, 1985

Investigation revealed that local telephone number
581-2965 is listed to the reservations desk at Continental Airlines
at NOIA. Telephone number 649-2189 is not in service at this
time.

OCTOBER 2, 1985

[] Continental Airlines,
NOIA, advised that all past passenger information is maintained
on microfilm at Continental's headquarters, 2929 Allen Parkway,
Houston, Texas.

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65A-510-Sub 13-123

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/30/85

[redacted] (PROTECT), [redacted] telephone number [redacted] was contacted concerning EDWARD LEE HOWARD and [redacted]

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[redacted] furnishe copies of records showing that HOWARD and [redacted] were guests at the Monteleone Hotel March 28-31, 1984. He stated that hotel records show that HOWARD was pre-registered and assigned Room 1176.

[redacted] HOWARD's room was changed to 1080. [redacted] states that this indicates [redacted] and HOWARD, discovering [redacted] already registered, asked for the same room.

HOWARD checked in as ED HOWARD and listed his address as 108 Verano Loop, Santa Fe, New Mexico. [redacted] checked in as [redacted] and listed his address as [redacted]

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During the period March 28-31, 1984, the following telephone calls were charged to Room 1080:

<u>DATE</u>	<u>TIME</u>	<u>MINUTES</u>	<u>PHONE NUMBERS</u>
3/28/84	2:20	7	[redacted] (Foreign) (This call was originally listed as [redacted] but corrected later by [redacted] after consultation of original toll records.)
	2:32	1	[redacted] (Local)
	14:32	1	[redacted]
	14:33	1	[redacted]

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Investigation on 9/30/85 at New Orleans, Louisiana File # 65A-2392

by SA [redacted] rsg

~~SECRET~~Date dictated 9/30/85

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NO 65A-2392

BDC:rsg

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<u>DATE</u>	<u>TIME</u>	<u>MINUTES</u>	<u>PHONE NUMBERS</u>
3/29/84	8:30	3	
	15:40	1	
	15:42	1	
	16:27	3	
	17:46	4	
3/30/84	9:47	4	
3/31/84	11:15	1	
	16:56	2	(Local)

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A copy of the registration forms for HOWARD and are attached to this communication. Originals are being maintained by the Monteleon Hotel.

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~~SECRET~~		HOWARD 1080		75.00 31		WAE .01 726396	
ROOM NO. 10		LAST NAME-47		RATE-4		RESERVATION KEY	
IF EXC		EU		VIP		3-28-84	
GRP NAME-25		R1231		PRE-REG		ARRIVAL	
		STATE CAPITOL BLDG		NMEX		TIME-13 TRV CODE 38	
		SANTA FE		87503 I		3-31-84 75.000 DE 1	
		LEGISLATIVE FIAN		ZIP-36		DEPARTURE RATE-QUAL-4 PL3 16 SHAR-5	
(PLEASE DO NOT WRITE ABOVE THIS LINE)		AREA CODE NUMBER		ST-34		2 OC 36 2-16-84 0	
		5059849550		TELEPHONE		PERS-8 RESRV CLK-12 RESRV-DATE-17 SRCE	
NAME Ed Howard				11 21 1 3		MOTEL ID CAT-8 RM-8 NGTS-7	
STREET ADDRESS 108 Verano Loop				KING		ROOM DESCRIPTION	
CITY & STATE ZIP Santa Fe, NM				CONFIRM		PREPARE AMT CODE	
PAYMENT BY CASH ☐ CREDIT CARD ☐		46 OTHER ☐		SELF		3720507	
YR OF CAR MAKE LIC NO				SS		ARRIVING	
SIGNATURE X Ed Howard				SHARE		0612/85 031+1	
REGISTRATION		WELCOME TO		THE MON			
A SAFE IS PROVIDED FOR DEPOSIT OF VALUABLES. THE HOTEL CANNOT BE RESPONSIBLE FOR VALUABLES NOT DEPOSITED		REMARKS-38					
		GTD PRE.REG AA-37205076					

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PX 65A-1345
GJS/kmb

In connection with the information provided by Albuquerque Division that telephone number (602) 624-8291 (the EZ-8 MOTEL), was called on January 26, 1985.

On September 30, 1985, [redacted] EZ-8 MOTEL, 720 West 29th Street, Tucson, Arizona, telephone number 624-8291, was contacted at his place of business regarding the investigation concerning [redacted] by Special Agent (SA) [redacted] of the FEDERAL BUREAU OF INVESTIGATION (FBI).

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[redacted] was requested and complied to the request by providing the FBI daily transcripts and individual folios of these persons staying at the motel for the period of January 25, 26, and 27, 1985.

[redacted] at the EZ-8 MOTEL, were given a verbal description of EDWARD LEE HOWARD and both replied negatively to having seen an individual bearing that description.

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On October 3, 1985, SA [redacted] returned to EZ-8 MOTEL and displayed a photograph of EDWARD LEE HOWARD to [redacted] as well as to [redacted] employee of the EZ-8 MOTEL. The photograph was then displayed to the entire housekeeping staff on duty. No positive response to the photograph was received.

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[redacted] then made available the daily transcripts of the dates August 21, 22, and 23, 1985. The transcripts were checked for the name EDWARD LEE HOWARD and the aliases used by HOWARD; Patrick Brian, Edward L. Houston, and Robert K. Shannon.

The aliases used by HOWARD were also checked from the names listed on the daily transcripts dated January 25, 26, and 27, 1985.

No HOWARD or aliases used by HOWARD were found in the above transcripts.

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65A-590-SUB 72

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PX 65A-1345
GJS/kmb

[redacted] both stated that outgoing long distance telephone records (all local calls are free of charge) are kept in a relative haphazard way because of the change in hotel management. [redacted] stated that some records may be kept in a room whose access will be available upon return of [redacted] from California, on or about October 17, 1985. Other records can surely be had by contacting [redacted]
[redacted]

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JP/ AQ 65A-590
JPS/mma

- 1 -

The following investigation was conducted by Special Agent [] and Special Agent []

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AT SANTA FE, NEW MEXICO

108 Verano Loop
Santa Fe, New Mexico

On October 1, 1985, []
[] advised that he has lived in the neighborhood [] did not know subject.

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On October 1, 1985, []
[] advised that she has lived at this address [] but did not know subject by name, nor could she recognize his picture.

On October 1, 1985, []
[] advised that he did not know subject, but knows subject's wife and child by sight.

[] could not recall if he had ever spoken to EDWARD HOWARD. [] could not recall []

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However, [] had mentioned to []

[] The only other facts [] could recall, regarding the HOWARD'S, concerned a "mysterious affair" in the newspaper about EDWARD HOWARD being involved in a firearm incident.

On October 1, 1985, []
[] advised that she is acquainted with []

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[] advised that approximately two to three weeks ago, [] but cannot recall the details of this discussion. However, [] does remember []

[] stated that she does not know the HOWARDS close enough to know any details concerning their personal lives, but did state that she would call the FEDERAL BUREAU OF INVESTIGATION (FBI) should [] location.

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Classified by G-3
Declassify on: OADR

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~~SECRET~~

AQ 65A-590
JPS/mma

- 2 -

Finally, [] advised that she had only met
EDWARD HOWARD on the first day that []
[] and on one other occasion when EDWARD
[]
[]

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On October 1, 1985, a neighborhood investigation
was conducted at the following addresses, however, no one
was home at the time:



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AQ 65A-590
CSD:rjc

CSG

- 1 -

The following investigation was conducted by Special Agents [redacted] on October 3, 1985.

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AT SANTA FE, NEW MEXICO

[redacted] Blue Sky Travel, 204 North Guadalupe, [redacted] numerous trips within the United States for EDWARD LEE HOWARD. No international flights have been scheduled.

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Although HOWARD always appeared friendly, he never shared experiences with [redacted]. He was always formal and to the point when making his travel arrangements. HOWARD said for his travel arrangements via American Express Credit Card Number 372050763201006 with an expiration date of December, 1985. HOWARD was also a member of the Delta Frequent Flyers Club, Account Number 2006714196.

[redacted] a recent trip for HOWARD to the San Francisco, California area. [redacted] recalled HOWARD had a bonus flight ticket from TWA, which HOWARD utilized for a Pacific Southwest Airline from San Francisco to the Washington area.

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A search of travel records for the entire month of September failed to show any travel for HOWARD. [redacted] indicated an Agent from the Santa Fe Federal Bureau of Investigation (FBI) had made contact with his office, therefore, no further records were searched.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/13/85

On October 3, 1985, [redacted]
Camelot Travel Agency, 311 Old Santa Fe Trail, Santa Fe, New Mexico,
was interviewed by Special Agents [redacted]
[redacted] of the Federal Bureau of Investigation (FBI). [redacted]
provided the following information concerning EDWARD HOWARD.

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[redacted] stated that Camelot Travel frequently
arranged trips for Mr. HOWARD during the period July, 1983, to
May, 1984. Following May, 1984, HOWARD visited Camelot Travel
at least one time per month for the purpose of looking at both
domestic and international airline guides. Following May, 1984,
Camelot made no travel arrangements for HOWARD.

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Furthermore, [redacted] provided to interviewing
agents a record of flight arrangements made for EDWARD HOWARD by
Camelot Travel during the period July 20, 1983, through May 23,
1984.

Above-mentioned computer printout arrangements of travel
is contained in 1-A.

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Investigation on 10/3/85 at Santa Fe, New Mexico File # Albuquerque
65A-590 - 71
by SA [redacted] (Los Angeles) &
SA [redacted] Detroit)/flg/bla Date dictated 10/8/85

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PX 65A-1345
SH/ljk

On October 3, 1985, the following investigation was conducted by Special Agent (SA) [] at Tucson, Arizona:

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[] AEROMEXICO, 7150 South Tucson Boulevard, Tucson, Arizona, telephone number (602) 573-8322, advised that AEROMEXICO is the only airline in Tucson with flights to Mexico. The only other logical route to Mexico is from Tucson to El Paso, Texas, on AMERICA WEST AIRLINES, and from there to Ciudad Juarez, Mexico, on AEROMEXICO.

[] was requested to review AEROMEXICO's passenger lists from September 21, 1985, until October 3, 1985, for the name of EDWARD LEE HOWARD and known aliases. [] advised that no such names appeared on any passenger manifest for this period.

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[] Tucson Airport Authority, Tucson International Airport, Tucson, Arizona, telephone (602) 573-8000, advised that only TRANSWORLD AIRLINES (TWA) and UNITED AIRLINES provide direct service to and from Tucson, Arizona, and St. Louis, Missouri.

[] UNITED AIRLINES, 7250 South Tucson Boulevard, Tucson, Arizona, telephone (602) 573-8259, advised that UNITED AIRLINES does provide direct service from Tucson to St. Louis. [] was given the name EDWARD LEE HOWARD and known aliases and asked to review airlines passenger manifests for the period beginning September 21, 1985, and ending October 3, 1985. He advised that this information was maintained at UNITED AIRLINES headquarters, Chicago, Illinois, but that he would make appropriate inquiry there. [] later advised that according to passenger information, there was no record of HOWARD flying out of Tucson to St. Louis on UNITED AIRLINES.

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The following investigation was conducted by SA [] on October 4, 1985, at Tucson, Arizona:

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[] TRANSWORLD AIRLINES (TWA), 7250 South Tucson Boulevard, Tucson, Arizona, telephone (602) 573-8332, advised that TWA recently changed its ticketing procedure in the following way:

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65A 61 51 B-70

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PX 65A-1345
SH/ljk

Until July, 1985, the TWA agent making the ticket sale stamped on the upper right-hand corner of each ticket a group of letters and numbers designating which agent sold the ticket and from which agency; whether a travel agency or the TWA desk issued the ticket. Since July, the airline computers print this information on each ticket automatically and hand stamps are no longer used. The computer also prints the initials of the seller or agent. [] advised that the number 251 on either the stamp or computer printout indicates that such a ticket was purchased from the TWA counter at Tucson International Airport. According to [] the seller of any ticket can best be determined by reference to the computer printed initials on the ticket. This information, he advised, is available at TWA's Administrative Center in Kansas City, Missouri.

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[] advised that he did not work at TWA on September 22, 1985, and has no recollection of meeting EDWARD LEE HOWARD. He provided the names of eight customer service agents that were possibly working on that date. They are as follows: []

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The following investigation was conducted by SA []
[] on October 6, 1985, at Tucson, Arizona:

The below-listed individuals are Customer Service Representatives for TWA and can be reached at the TWA counter at Tucson International Airport, 7250 South Tucson Boulevard, Tucson, Arizona.

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[] advised that on September 22, 1985, he was working at the main terminal counter from 6:00 a.m. until 2:00 p.m. He was shown a photograph of EDWARD LEE HOWARD and asked if he could recall ever seeing this individual at the airport. He stated that he did not recognize HOWARD and could not recall ever selling him an airline ticket.

[] advised that on September 22, 1985, he was working at the gate counter for Flight 594/388 from Tucson to St. Louis, Missouri. He was shown a photograph of EDWARD LEE HOWARD and asked if he could recall seeing HOWARD at the airport or selling him an airline ticket. [] advised that he had no such recollection.

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PX 65A-1345
SH/ljk

[] advised that on September 22, 1985, she worked at the TWA gate counter for Flight 594/388 from Tucson to St. Louis, Missouri. She recalled seeing the actor LEE MARVIN in the boarding area, but had no recollection of EDWARD LEE HOWARD.

[] advised that on September 22, 1985, she worked at the TWA main terminal counter until approximately 20 minutes before Flight 594/388 from Tucson to St. Louis departed. At that time, she went to the gate counter to assist in the distribution of boarding passes and the assignment of seats. [] was shown a photograph of EDWARD LEE HOWARD and asked if she had any recollection of this individual. She advised that she had none.

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[] advised that she worked at the TWA main terminal counter from 6:30 a.m. to 10:30 a.m. on September 22, 1985. She was shown a photograph of EDWARD LEE HOWARD and asked if she has ever seen him before. She advised that she did not recognize him.

[] advised that on September 22, 1985, he was working at the TWA main terminal counter and the gate counter at various times. He was shown a photograph of EDWARD LEE HOWARD and asked whether he recognized him. He responded that he could not recall seeing HOWARD. [] further advised that two additional employees, [] were working on September 22, 1985, but were not working on this date. [] can be contacted at the TWA main terminal counter in the morning throughout the week.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/6/85

On October 4, 1985, Special Agent [redacted] of the New York Office of the FEDERAL BUREAU OF INVESTIGATION (FBI) served a subpoena upon

[redacted]

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The subpoena requested [redacted]
[redacted] were also subpoenaed.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 11-15-85 BY 6032 JAW/STW
PURSUANT TO RULE 6(e), Fed. R. Crim. P.

Investigation on 10/4/85 at New York, New York File # AQfile 65A-590
NYfile 65A-27576
by SA [redacted] gap ~~SECRET~~ Date dictated 10/6/85

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/11/85

On October 4, 1985, [redacted] AMERICAN AIRLINES, REGENT HOTEL, 201 Marquette, N.W., Albuquerque, New Mexico, was contacted by Special Agent [redacted]. After being advised of the agent's identity, and the purpose of the interview, [redacted] provided the following information:

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[redacted] stated that in view of the recent publicity concerning the EDWARD LEE HOWARD case and his picture, which has been in the newspaper, she decided to contact the office of the FEDERAL BUREAU OF INVESTIGATION, Albuquerque, New Mexico, concerning HOWARD. [redacted] stated that when she was working, on approximately Friday, September 20, 1985, an individual came up to her ticket window, and requested to receive a refund for a ticket he had in his possession. [redacted] provided that she took a look at the ticket, and noticed that 10 working days had not passed since the ticket had been issued, so she advised the individual that she could not provide him a refund. [redacted] said that she also noticed that the ticket had been purchased at Miami, Florida, and was round trip from Albuquerque to possibly Washington, D.C. [redacted] stated that she thought it seemed odd that the ticket had been purchased in Miami and this was the reason that she could recall the destination, and boarding city. [redacted] stated that she informed the individual that he could contact the Miami office and request a refund, however, he asked her to do so for him. [redacted] stated that the individual told her he had paid for the ticket with a check through his checking account in Boston, Massachusetts. [redacted] stated she asked the individual for a permanent address, to which she could send the refund, however, he replied, he didn't have one. [redacted] stated that he also told her that he was going out of the country, and that he worked for Uncle Sam. [redacted] stated that she asked the individual where he was going, as she might be able to suggest a place where he could get a refund. The individual told [redacted] that he was going to Germany. [redacted] also provided that the individual became angry when she could not give him a refund, and the Miami office refused authorization for her to pay him. [redacted] was shown a photograph of EDWARD LEE HOWARD, and she stated that she believed the person who requested the refund was EDWARD LEE HOWARD, however, she could not be certain.

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Investigation on 10/4/85 at Albuquerque, New Mexico File # Albuquerque 65A-590-SUB-137

by *dy* SA [redacted] sjh Date dictated 10/11/85

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AQ 65A-590

Continuation of FD-302 of , On 10/4/85, Page 2b6
b7c described the individual as follows:

Race	White
Sex	Male
Hair	Dark, wavy
Height	5'8" - 5'10"
Clothing	Tan - brown corduroy jacket
Complexion	Medium
Other	Surly lip when he talked.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/7/85

[redacted]
[redacted] was served a subpoena by SA [redacted]
of the New York Office (NYO) of the Federal Bureau of Investigation (FBI).

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b7CThe subpoena requested [redacted]
[redacted]

Investigation on 10/7/85 at New York City, NY File # AQ 65A-590 - sub C
NY 65A-27576
by SA [redacted] lad Date dictated 10/7/85

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BA 65A-4562

JFW:sp

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The following investigation was conducted at Gaithersburg, Maryland by SA [] on October 7, 1985:

[] Days Inn, 16001 Shady Grove Road, Gaithersburg, Maryland, telephone number, (301)-948-4300, was requested to search records of this Inn for EDWARD LEE HOWARD with aliases having been a guest during the period June 13-16, 1985.

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On October 8, 1985, [] advised that he could locate no record of HOWARD or known aliases as a guest in June, 1985.

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65A-4562-1271

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/10/85

[redacted] SABENA AIRLINES,
46400 Lahser Road, Southfield, Michigan, telephone number
354-4480, was advised of the official identity of SA [redacted]
[redacted]

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[redacted] furnished the following information:

She advised that she [redacted]
of NATIONAL TRAVEL and described [redacted]
[redacted] She advised that [redacted]
on one telephonic contact with SABENA AIRLINES, could not
even remember the date of the departure of [redacted]
[redacted] concluded the interview by advising
that in her opinion [redacted] was an extremely honest individual,
however, appeared to have a problem recalling details.

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Investigation on 10/9/85 at Southfield, Michigan File # AQ-65A 57C-5-16-45
Detroit 65A-4318
by SA [redacted] / jks Date dictated 10/9/85

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FEDERAL BUREAU OF INVESTIGATION

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10/10/85

Date of transcription

[] NATIONAL TRAVEL, 611 West Cross Street, Ypsilanti, Michigan, telephonically contacted SA [] of the Detroit Office of the FBI. [] called the office collect. [] was advised of the official identity of SA [] after which he furnished the following information:

[]

[] advised that the name HOUSTON is not familiar to him and that he knows everyone []

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Investigation on 10/9/85 at Detroit, Michigan File # AR-65A-57-22-42
Detroit 65A-4318

by SA [] / jks Date dictated 10/9/85

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FEDERAL BUREAU OF INVESTIGATION

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10/10/85

Date of transcription

[redacted] SABENA AIRLINES, 26400 Lahser Road, Southfield, Michigan, telephone number 354-4880, advised that a check of SABENA computer records revealed a reservation for two in the name of HOUSTON.

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[redacted] further advised that the HOUSTON reservation is part of a group tour [redacted] NATIONAL TRAVEL, 611 West Cross Street, Ypsilanti, Michigan. [redacted] this group tour on August 14, 1985. The group consisted of the following reservations:

HOUSTON



Party of two
Party of two
Party of two
Party of two
Party of two
Party of one
Party of one

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b7C

[redacted] further advised that on October 4, 1985, [redacted] called the offices of SABENA AIRLINES and cancelled the reservation for HOUSTON, party of two.

[redacted] advised that this tour is scheduled to depart DETROIT METROPOLITAN AIRPORT October 17, 1985, via SABENA Flight 564 with a scheduled return flight on October 24, 1985, from Brussels to Detroit.

Investigation on 10/9/85 at Southfield, Michigan File # AQ-65A S.D. 601. -41
by SA [redacted] / jks Date dictated 10/9/85

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/16/85

On October 10, 1985, [REDACTED] BLUE SKY TRAVEL, 204 North Guadalupe, Santa Fe, New Mexico made available xeroxed copies of airline tickets issued by his agency to EDWARD LEE HOWARD, [REDACTED] Tickets issued to HOWARD are as follows:

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<u>DATE:</u>	<u>CARRIER:</u>	<u>TICKET NUMBER:</u>
May 17, 1984	Frontier	7272-740-776
May 29, 1984	Southwest	7272-741-060
June 5, 1984	Continental	7272-741-346
June 25, 1984	Frontier	7272-739-896
June 25, 1984	Southwest	7272-739-897
August 7, 1984	Delta	7280-726-691
August 7, 1984	Delta	7280-726-692
August 7, 1984	Delta	7280-726-693
August 7, 1984	Delta	7280-726-694
August 31, 1984	Delta	7295-438-445
August 31, 1984	Delta	7295-438-446
December 12, 1984	Delta	7715-270-888
December 12, 1984	Delta	7715-270-889
June 26, 1985	American	7749-743-023
August 19, 1985	Delta	7762-445-977
August 19, 1985	Delta	7762-445-978
August 26, 1985	American	7762-446-139
August 26, 1985	Pacific Southwest	7762-446-145
August 26, 1985	Western	7762-446-140

Copies of the above tickets will be maintained as evidence in a 1-A envelope.

Investigation on 10/10/85 at Santa Fe, New Mexico File # Albuquerque 65A-590 - Sub 6-111
(LEAD #137)
by SA [REDACTED] (sjh) Date dictated 10/16/85

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~~SECRET~~

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FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 10/11/85

A review of the photocopy of folio 40810 provided on October 10, 1985, by [redacted] Travelodge on the River, 100 Villita Street, San Antonio, Texas, provided the following information:

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The authorized guest's signature appeared to be ED HOWARD, as printed at the top of the folio. The address, also printed at the top, was 108 V(illegible) Loop, Santa Fe, New Mexico 87503. The room was number 423 and was for two persons. Check-in was stamped at 7:06 p.m. on March 23, 1985, and checkout was at 11:33 a.m. on March 24, 1985. There was one long distance phone call charge of \$2.36, which was made on March 24, 1985, to [redacted] explained as there was no area code indicated, it would be the same as for San Antonio, Texas, which is 512. The total bill was for \$61.76, which was paid with a Visa-MC on March 24, 1985.

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b7C

[redacted] allowed the reviewing Agent to view the hotel copy of the Visa-MC receipt, related to this transaction. This was receipt 5364082, card number 5416 3000 0912 4455, imprinted with 1630USAA, EDWARD L. HOWARD. The amount was \$61.76 and it was signed with the name of [redacted]

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Investigation on 10/10/85 at San Antonio, Texas File # SA 65A-2046
by SA [redacted] amr Date dictated 10/10/85

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b7C

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~~SECRET~~

FBI/DOJ

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/15/85

On October 11, 1985, [] Executive Enterprises, Incorporated, 33 West 60th Street, New York City, telephone [] was contacted by SA [] of the New York Office (NYO) of the Federal Bureau of Investigation (FBI).

b6
b7C

[] advised that EDWARD LEE HOWARD was registered to attend a Federal Energy Regulatory Commission (FERC) Conference, in New Orleans, March 29-30, 1984. HOWARD was registered under the Legislative Finance Committee of New Mexico.

Executive Enterprises, Incorporated is a sponsor of various seminars and conferences that deal with the oil and gas industry.

Investigation on 10/11/85 at New York, New York File # NY 65A-27576
AQ 65A-590-466-65
by SA [] *ins* ~~lad~~ ~~SECRET~~ Date dictated 10/11/85

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b7C

976

~~SECRET~~

AQ 65A-590
CSD:sjh

CSJ

- 1 -

The following investigation was conducted by SA'S

[REDACTED]

AT SANTA FE, NEW MEXICO (LEAD #155)

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b7C

On October 11, 1985, [REDACTED] JET AIRE,
SANTA FE AIRPORT, advised JET AIRE was in their first week of busi-
ness. JET AIRE has no late afternoon flights to Albuquerque,
and was not in business on September 21, 1985.

~~SECRET~~

977

65A-590-500-1

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

1

= 10/29/85

Date of transcription

[redacted]
[redacted]
[redacted] was interviewed at his place of employment. [redacted] was made aware of the identity of the interviewing Agent and the purpose of the interview.

b3
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b7C

[redacted] was served with a subpoena to testify before the Federal Grand Jury and present records concerning [redacted]
[redacted]
[redacted]

[redacted] This subpoena to testify is for November 19, 1985, at 9:00 AM, in the U. S. Courthouse, 500 Gold, S.W., Albuquerque, New Mexico, and was issued on October 9, 1985.

b3
b6
b7C

[redacted] was also served with a subpoena to testify before the Federal Grand Jury and present [redacted]
[redacted]

[redacted]

b3
b6
b7C

This subpoena to testify is for November 19, 1985, at 9:00 AM, in the U. S. Courthouse, 500 Gold, S.W., Albuquerque, New Mexico, and was issued on October 9, 1985.

Investigation on 10/18/85 at Kansas City, Missouri File # Kansas City 65A-2018
by SA [redacted] jb Date dictated 10/23/85

b6
b7C

978

~~SECRET~~

~~SECRET~~

KC 65A-2018

Continuation of FD-302 of

10/18/85

2

On

Page

b3
b6
b7C

Upon being advised that it would not be necessary for him to appear before the Grand Jury if the requested information was turned over to an Agent of the FEDERAL BUREAU OF INVESTIGATION (FBI) provided the following information to the interviewing Agent:

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979

~~SECRET~~

~~SECRET~~

AQ 65A-590
JLW:mev

1

This communication is classified "~~SECRET~~" in its entirety.

The following investigation was conducted by Special Agent [redacted] on October 22, 1985.

AT [redacted]

[redacted]
was contacted regarding her knowledge of EDWARD LEE HOWARD.

[redacted] the same sub-division as HOWARD, she does not know him and does not recall ever meeting him.

[redacted]
[redacted] in Albuquerque, New Mexico, and prior to that she [redacted]

Again she stated she does not know HOWARD and could furnish no additional information.

981

~~SECRET~~

65A-590-SUB13-98

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b7C

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b7C

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

-1-

Date of transcription 11/26/85

On or about November 6, 1985, [REDACTED]

[REDACTED] returned the Grand Jury subpoena, along with the documents described below to the offices of the Federal Bureau of Investigation (FBI), Tucson Resident Agency, 301 West Congress, Tucson, Arizona.

[REDACTED] upon returning the subpoena, explained that the information requested in the subpoena, dealing with [REDACTED]

[REDACTED] had been destroyed, and therefore were not available.

[REDACTED] was able to provide the other documents requested in the subpoena dealing with [REDACTED]

The action of [REDACTED] was in response to the Grand Jury subpoena filed by DON J. SVET, First Assistant United States Attorney, New Mexico District, 500 Gold S.W., Albuquerque, New Mexico, (505) 766-3341, and served on the person of [REDACTED] by Special Agent [REDACTED] Phoenix Division, FBI, on October 25, 1985.

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b7Cb3
b6
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Investigation on 11/6/85 at Tucson, Arizona File # PX 65A-1345

by SA [REDACTED] /db Date dictated 11/14/85

982

312
b6
b7C

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~~SECRET~~

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 11/21/85

[redacted] Past Dates, TRANS-WORLD AIRLINES (TWA) Administrative Offices, 11500 Ambassador Drive, Kansas City, Missouri, was advised of the identity of the interviewing Agent, and the nature of the interview. [redacted] provided the interviewing Agent with xerox copies of the following documents:

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b7C

1. TWA Past Date List for TWA Flight #94, April 23, 1985, Albuquerque to JFK;
2. TWA Past Date List for TWA Flight #744, April 23, 1985, JFK to Vienna;
3. TWA Past Date List for TWA Flight 740, April 23, 1985, JFK to Vienna;
4. TWA Past Date List for TWA Flight 801, April 30, 1985, Zurich to Paris.

Investigation on 11/8/85 at Kansas City, Missouri File # Kansas City 65A-2018

by SA [redacted] *[signature]* jb Date dictated 11/14/85

b6
b7C

983

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~~SECRET~~

FBI/DOJ

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 11/21/85

[redacted] Past Dates, TRANS-WORLD AIRLINES (TWA) Administrative Offices, 11500 Ambassador Drive, Kansas City, Missouri, was advised of the identity of the interviewing Agent, and the nature of the interview.

b6
b7c

[redacted] provided the interviewing Agent with xerox copies of the following documents:

1. TWA Past Date List for TWA Flight #819, April 30, 1985, Paris to St. Louis;
2. TWA Past Date List for TWA Flight #105, April 30, 1985, St. Louis to Albuquerque.

~~SECRET~~

Investigation on 11/11/85 at Kansas City, Missouri File # Kansas City 65A-2018
by SA [redacted] jb Date dictated 11/14/85

325

b6
b7c

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FBI/DOJ

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

11/29/85

Date of transcription _____

[redacted]
[redacted] accepted
service of a Federal Grand Jury subpoena issued in the District of New
Mexico on October 15, 1985, for [redacted]
[redacted]

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b7C

In compliance with this subpoena, he furnished the following
documents:

[Large redacted area]

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Investigation on 11/14/85 at [redacted] File # DL 65A-2558
by SA [redacted] *Ren* ek 985 Date dictated 11/14/85

b3
b6
b7C

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it and its contents are not to be distributed outside your agency.

~~SECRET~~

~~SECRET~~

[Redacted]

DL 65A-2558

11/14/85

2

Continuation of FD-302 of _____, On _____, Page _____

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The above records were retained as evidence.

~~SECRET~~

~~SECRET~~

NO 65A-2392

BDC:rsg

1

The following investigation was conducted by SA []

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On 12/3/85, International Air Carriers, New Orleans International Airport, New Orleans, were furnished a list of aliases used by EDWARD LEE HOWARD. Records show no references to any person using any of the names for the past 90 days. For records older than 90 days, requests must be directed to the home office of the respective airlines, all of which are outside the U.S. Contacted were:

LACSA Airlines, [] Home Office San Jose,
Costa Rica;

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SAHSA Airlines, [] Home Office Tegucigalpa,
Honduras.

It is noted that TACA Airlines had flights from New Orleans to Central America and Mexico up until November, 1985, at which time their New Orleans operation was discontinued.

~~SECRET~~

987

65A-590- SUB13 223

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/3/86

On December 31, 1985, Special Agent (SA) [redacted]
[redacted] served a Federal Grand Jury Subpoena on [redacted]
[redacted]

b3
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b7C

[redacted] provided the requested information to SA [redacted]
for presentment to the Grand Jury.

Investigation on 12/31/85 at Albuquerque, New Mexico File # Albuquerque 65A-590-3
by SA [redacted] sjh 988 Date dictated 1/2/86

~~SECRET~~

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b7C

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/13/86

On January 7, 1986, SA [] served
a subpoena, issued December 10, 1985, by the U. S. District
Court District of New Mexico, to []

[]
who made available records pertaining to []

b3
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b7C

Investigation on 1/7/86 at Cincinnati, Ohio File # Cincinnati 65A-3404

by SA [] :gmb ~~SECRET~~ Date dictated 1/10/86

b6
b7C

989

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~~SECRET~~

NEIGHBORS, PERSONAL ASSOCIATES AND MEDICAL PERSONNEL

~~SECRET~~

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/24/85

On October 4, 1985, [redacted] was contacted
at her residence at [redacted]

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b7C

[redacted] After being advised of the official identities
of the interviewing agents and the purpose of the interview,
[redacted] furnished the following information:

[Large redacted area]

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b7C

Investigation on 10/4/85 at [redacted] File # 65A-9330

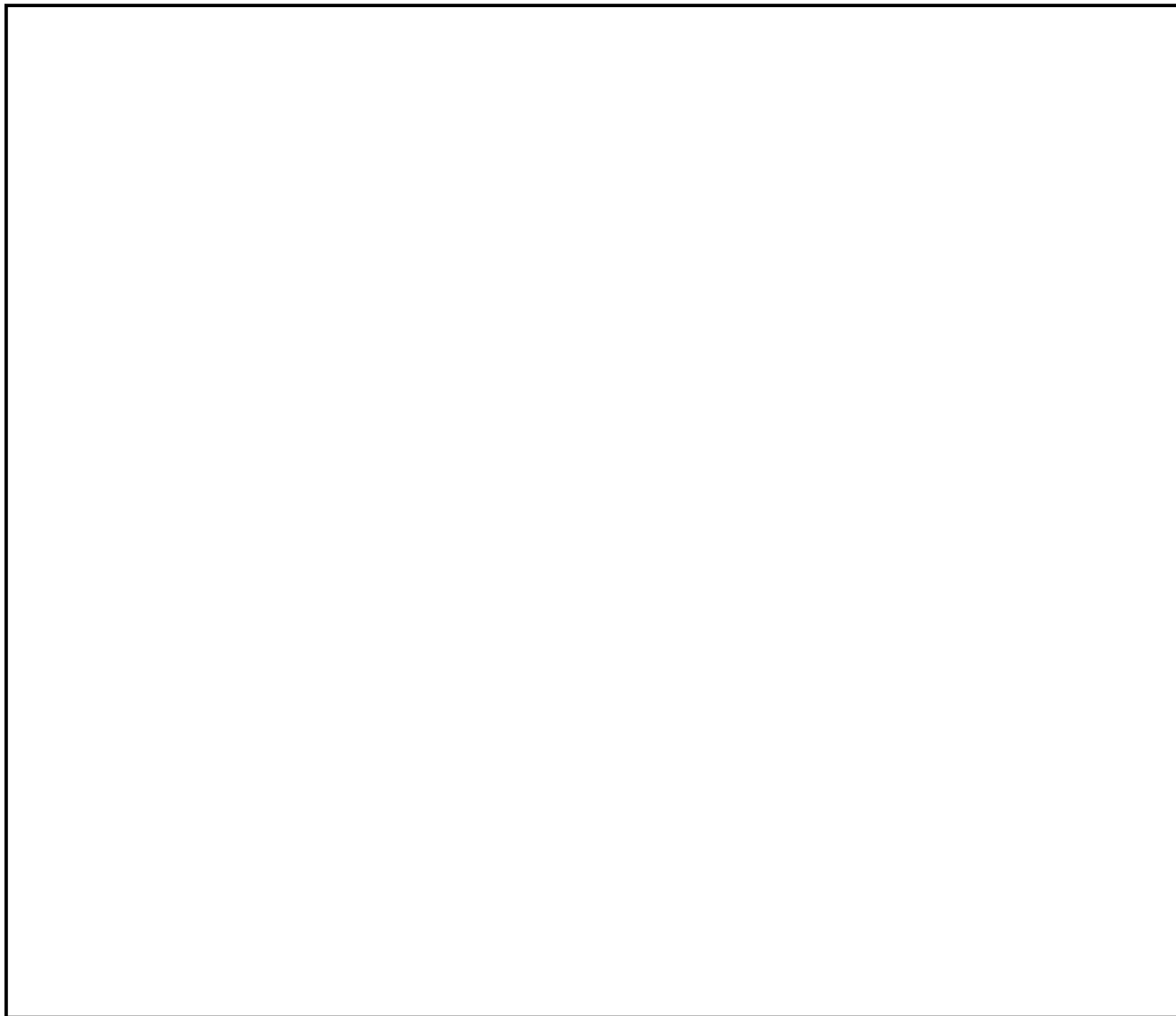
by SA's [redacted] ^{DAB} DAB/pjw Date dictated 10/9/85
[redacted] *MMO 991

286
b6
b7C

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~~SECRET~~

FBI/DOJ

~~SECRET~~Continuation of FD-302 of , On 10/4/85, Page 2b6
b7Cb6
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When saw the newspaper articles concerning the allegations against HOWARD, she was absolutely shocked. He had always "seemed so patriotic." She could not explain her basis for this impression, except that she simply always considered him "Mr. Good Citizen, ED HOWARD".

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b7C~~SECRET~~

~~SECRET~~

Continuation of interview of [REDACTED] , Page 3

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b7C

[REDACTED]

Regarding travel by HOWARD, [REDACTED] was aware of a couple of trips to Washington, D.C., sometime between August, 1983 and December, 1984. [REDACTED]

[REDACTED]

b6
b7C

[REDACTED]

Concerning HOWARD's drinking, [REDACTED] did not think it was particularly heavy, but noted that when HOWARD and [REDACTED]

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b7C

[REDACTED] had no knowledge concerning HOWARD's financial situation.

[REDACTED] does not know any associates or friends that HOWARD may have in Los Angeles. She was aware of a friend HOWARD had at one time from his PEACE CORPS days, [REDACTED]

[REDACTED]

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b7C~~SECRET~~

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/11/85

On October 7, 1985, [redacted] was interviewed by Special Agents [redacted] of the Federal Bureau of Investigation (FBI) concerning [redacted] EDWARD HOWARD. [redacted] requested a second interview because she was nervous at the first FBI interview and did not tell everything she knew.

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b7Cb6
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(S)

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b7Cb6
b7CInvestigation on 10/7/85 at [redacted] File # LA 65A-9330by SAs [redacted] and [redacted] Date dictated 10/11/85
[redacted] MMO/grjb6
b7C

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~~SECRET~~

~~SECRET~~

LA 65A-9330

Continuation of FD-302 of [REDACTED], On 10/7/85, Page 3

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[REDACTED]

b6
b7C

[REDACTED] furnished the following additional information about HOWARD:

b6
b7C

- HOWARD has a close friend, [REDACTED] who resides in [REDACTED]

- 1983 HOWARD advised that he was dating a blonde coed from Georgetown University, not further described.

- HOWARD stated that [REDACTED]

[REDACTED]

[REDACTED]

b6
b7C

- HOWARD told [REDACTED] that he was involved in tactical espionage games with the FBI in Washington, D.C., in 1982.

- HOWARD seemed to fantasize quite a bit about being a spy and was extremely interested in the Soviet Union.

997

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LA 65A-9330

Continuation of FD-302 of , On 10/7/85, Page 4

- HOWARD was upset because he had studied Russian and the CIA wanted to send him to South America.

- had the impression that HOWARD was still working for the CIA and his job in New Mexico was a cover.

was advised of HOWARD's fugitive status and agreed to fully cooperate with the FBI.

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b7c

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~~SECRET~~

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/31/85

On October 29, 1985, [redacted] was re-contacted, telphonically, at her place of employment. She was asked if she could furnish an exact date [redacted]

[redacted]

[redacted]

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b7C~~SECRET~~

Investigation on 10/29/85 at [redacted] File # 65A-9330

by SA [redacted] DAB/p 999 Date dictated 10/29/85

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b7C

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

12/10/85

Date of transcription

[redacted] was
interviewed by Special Agents (SA) [redacted] and
[redacted] at the residence of [redacted] Official
identities and the nature of the inquiry were provided,
whereupon [redacted] offered the following information:

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b7C

[redacted] After appropriate assurances
by the Interviewing Agents, [redacted] agreed to cooperate
fully during this interview.

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b7C

Investigation on 11/26/85 File # [redacted] Albuquerque
65A-590-Sub B-243
by SA [redacted] /mma Date dictated 12/3/85

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b7C

1000

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~~SECRET~~

~~SECRET~~

AQ 65A-590

Continuation of FD-302 of , On 11/26/85, Page 3b6
b7Cb1
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b7C

(S)

b6
b7C

reflected addresses for HOWARD of 108 Verano Loop, Santa Fe, telephone number (505) 471-3209; 2703 Rincon Court, Santa Fe, telephone number (505) 984-0079; 9654 Scotch Haven Drive, Vienna, Virginia, no phone number listed.

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1002

~~SECRET~~

~~SECRET~~

AQ 65A-590

Continuation of FD-302 of [REDACTED], On 11/26/85, Page 4

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HOWARD spoke to her over the telephone in a language which she did not recognize and which he explained was Russian.

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[REDACTED]

[REDACTED] She also stated that at no time prior to his disappearance did she know he was employed by the CENTRAL INTELLIGENCE AGENCY.

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b7C

[REDACTED] felt that it was highly unlikely HOWARD would ever contact her under the current circumstances,

[REDACTED] he may indeed try to contact her given the right opportunity. [REDACTED] thereupon, volunteered her cooperation by offering to contact [REDACTED] the FBI should HOWARD take such an action. [REDACTED]

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b7Cb6
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~~SECRET~~

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 11/7/85

This communication is classified "~~Secret~~" in its entirety.

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[redacted]
[redacted] were interviewed at [redacted]
[redacted] They were
advised of the identity of the interviewing agent and that this
interview was being conducted in regards to any knowledge that they
may have concerning EDWARD LEE HOWARD.

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b7C

[redacted] stated they are familiar with
EDWARD HOWARD and they first met him in approximately [redacted]
[redacted]

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b7C

She stated it was their understanding that EDWARD LEE
HOWARD was employed by the U.S. GOVERNMENT with the PEACE CORPS
and was stationed in South America. [redacted]
[redacted]

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b7C

Investigation on 11/5/85 at [redacted] File # Albuquerque
65A-590 289
by SA [redacted] 1004 WDJ/jms Date dictated 11/6/85

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b7C

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~~SECRET~~

Classified by G-3
Declassify on: OADR

AQ 65A-590

~~SECRET~~

Continuation of FD-302 of _____

, On 11/6/85 , Page 2

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HOWARD was in Columbia at that time.

_____ he was first in the country of Costa Rica, then went to Columbia when he was with the PEACE CORPS. He was some sort of agricultural instructor with the PEACE CORPS.

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b7C

_____ noted that on the occasion that he had talked to EDWARD LEE HOWARD _____ he was a very difficult individual to talk to and one had to "pull things out of him" in regards to normal conversations. He recalls also that HOWARD apparently did state that he made various trips to Dallas, Texas to his headquarters and apparently was well thought of within the PEACE CORPS and was considered for some sort of advancement.

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b7C~~SECRET~~

1005

AQ 65A-590

~~SECRET~~Continuation of FD-302 of [REDACTED] , On 11/6/85 , Page 3b6
b7C

[REDACTED]

b6
b7C

[REDACTED] expressed some concern in regards to this matter and stated that they would notify the FEDERAL BUREAU OF INVESTIGATION (FBI) should they hear anything concerning EDWARD LEE HOWARD and would notify the FBI [REDACTED]

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b7C

[REDACTED]

b6
b7C

They were furnished with the appropriate phone numbers for the FBI, both in Las Cruces, New Mexico and Albuquerque, New Mexico and were advised to contact either office should they hear anything concerning subject, EDWARD LEE HOWARD.

1006

~~SECRET~~

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/6/85

[redacted] was contacted at [redacted]
[redacted]
furnished the following information:

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b7C

[redacted]
[redacted]
She met ED HOWARD at [redacted] She believes the
HOWARDS were living in Arlington, Virginia, when she met ED HOWARD.

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b7C

Investigation on 10/10/85 at [redacted] File # DL 65A-2558
by SA [redacted] pek ~~SECRET~~ 10/16/85 Date dictated 10/16/85

b6
b7C

1007

~~SECRET~~

Continuation of FD-302 of _____

DL 65A-2558

10/10/85, On 2

, Page _____

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b7C

_____ did not know ED HOWARD worked for the CIA until she read about his fleeing and that he was suspected of giving the KGB information. When she learned of this through the news media, _____

_____ did know HOWARD worked for the United States Department, and that he had studied Russian and that they wanted to go to Russia with the State Department.

b6
b7C

_____ She does not believe ED HOWARD will contact her and has not seen _____
_____ ED HOWARD since _____

~~SECRET~~

1008

~~SECRET~~

AQ 65A-590
RJM/mma

- 1 -

The following investigation was conducted by Special Agent [redacted]

b6
b7C

AT [redacted]

[redacted]
[redacted] advised that [redacted]
[redacted]
[redacted]

b6
b7C

[redacted] stated that she has never met EDWARD HOWARD and to the best of her knowledge [redacted] has not met EDWARD. [redacted]
[redacted]

~~SECRET~~

1012

65A-590-2-10

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/10/85

On October 8, 1985, Special Agent [redacted]
FBI, telephonically contacted [redacted]
[redacted] to determine if she had any further
recollection of the events [redacted]
since her previous interview. The following is that recollection:

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b7Cb6
b7C

Investigation on 10/8/85 at [redacted] File # Albuquerque 65A-590 148
by SA [redacted] sjh ~~SECRET~~ Date dictated 10/10/85

b6
b7C

1013

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

- 1 -

10-10-85

Date of transcription

On October 3, 1985, [REDACTED]

[REDACTED] was interviewed by Special Agents
[REDACTED] both of the FEDERAL
BUREAU OF INVESTIGATION (FBI). [REDACTED] who was interviewed
concerning her relationship with EDWARD LEE HOWARD [REDACTED]
[REDACTED] advised as follows:

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b7Cb6
b7C

Investigation on 10/3/85 [REDACTED] File # Albuquerque 65A-590
SA [REDACTED] lg/mma ~~SECRET~~ 10/3/85
by [REDACTED] Date dictated

b6
b7C

1015

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

- 1 -

10-10-85

Date of transcription

On October 2, 1985, [REDACTED]

[REDACTED]
was interviewed [REDACTED]

[REDACTED] was advised of the identity of the interviewing Special Agents, and that the nature of the interview concerned the whereabouts of EDWARD LEE HOWARD. Thereafter, [REDACTED] provided the following information:

[REDACTED] advised that while she could not be specific, she had always felt that subject was "up to something". When asked what gave her this impression, [REDACTED] responded that subject was somewhat of a recluse.

Finally, [REDACTED] advised that much of her opinions regarding subject are based upon the fact that subject was involved in an assault with a weapon in Santa Fe.

~~SECRET~~

~~Classified by G-3~~
~~Declassify on: OADR~~

Investigation on 10-2-85 at [REDACTED] File # Albuquerque 65A-590 - 75
by SA [REDACTED] /jps/mma Date dictated 10-6-85

1018

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/15/85

[redacted]
[redacted] was interviewed concerning her knowledge of EDWARD LEE HOWARD. She said that she last saw HOWARD at a

[redacted]
[redacted] so that HOWARD could attend when he was in the Washington, D.C. area.

She recalled that HOWARD used the phone in [redacted] repeatedly during the period approximately 7:30 p.m. to 9:00 p.m. He had a business card with a telephone number on it, but she does not know the number nor details of the card. She also recalled that he called his wife from this phone.

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[redacted] has no idea where HOWARD stayed in the Washington, D.C. area prior to [redacted]

[redacted] was advised of the provisions of the Harboring Statute and said that she has no idea concerning HOWARD's current whereabouts.

Investigation on 10/4/85 at [redacted] File # BA 65A-4562

by SA [redacted] sp

~~SECRET~~Date dictated 10/10/85b6
b7C

1019

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/15/85

[redacted]
[redacted] employed at [redacted]
[redacted] was interviewed concerning her knowledge of EDWARD LEE HOWARD.

[redacted] advised that she has known HOWARD for [redacted]
[redacted] She said that she last saw him at [redacted]
[redacted] She said that she noticed
nothing unusual about HOWARD at this time and finds the current criminal charges
against him unbelievable.

[redacted] furnished two photos of HOWARD which were taken at the above
[redacted] She was advised of the provisions of the Harboring Statute
and said that she has no idea of HOWARD's whereabouts.

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Investigation on 10/4/85 at [redacted] File # BA 65A-4562

by SA [redacted] sp [redacted] Date dictated 10/10/85

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b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/15/85

[redacted] was interviewed concerning his knowledge of EDWARD LEE HOWARD.

[redacted] HOWARD was with the Peace Corps in Latin America.

About 1974-75, HOWARD began a Master of Business Administration program at the American University, Washington, D.C. [redacted]

HOWARD obtained his degree from American University and about 1976, married his current wife [redacted] whom he had known in the Peace Corps. HOWARD went to Peru with a U.S. Government agency for a couple of years.

In the late 1970's, HOWARD lived in Barrington, Illinois, a suburb of Chicago, for a couple of years. Then he bought a house in Vienna, Virginia and worked with the U.S. Department of State.

HOWARD told [redacted] he was in line for a post in Moscow, Union of Soviet Socialist Republics, and studied the Russian language for one year in the Washington, D.C. area. Around this time, HOWARD's wife had a baby.

HOWARD told [redacted] about November, 1984, that he had left the U.S. Department of State because he did not get the Moscow assignment. He said that he was returning to the private sector. They kept in touch during this time, and HOWARD told [redacted] that he had become an economist for the New Mexico State Legislature. HOWARD appeared happy in this position.

Until reading recent newspaper articles, [redacted] was unaware of HOWARD's employment with the Central Intelligence Agency (CIA).

Investigation on 10/4/85 and 10/7/85 at [redacted] File # BA 65A-4562
by SA [redacted] SP [redacted] Date dictated 10/10/85

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Continuation of FD-302 of [redacted], On 10/4/85 and 10/7/85, Page 2 b6 b7C

[redacted] last saw HOWARD about three months ago, when he stopped at his house on a Saturday or Sunday afternoon for about one half hour. HOWARD did not say why he was in the Washington, D.C. area.

[redacted]

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On October 7, 1985, [redacted] advised that a friend of HOWARD is one [redacted]

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[redacted] was advised of the provisions of the Harboring Statute and pledged his cooperation in locating HOWARD.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/10/85

[redacted]
[redacted] was interviewed concerning her knowledge of EDWARD LEE HOWARD.

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[redacted] He then went to the University of Texas, the University of Maryland at Munich, West Germany, returned to the University of Texas from which he graduated, and attended graduate school at the American University, Washington, D.C., about 1985. He held an internship at the World Bank, Washington, D.C., after graduation from the University of Texas.

HOWARD served in the Peace Corps in Bogota, Columbia. About 1975, he returned to the United States. [redacted]

She recalled that HOWARD had told her he was with the U.S. Department of State and was with the Agency for International Development.

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[redacted]
HOWARD returned to the United States and went to work for an environmental consulting firm in Chicago, Illinois, the name of which she does not know, and he traveled to Washington, D.C. in connection with this employment.

About 1980-81, HOWARD said that he was returning to Washington, D.C. to work for the U.S. Department of State. In the Summer of 1982, he bought a townhouse in Vienna, Virginia, [redacted]

[redacted] who knew HOWARD [redacted], mentioned to her that she had seen HOWARD on a bus at the Central Intelligence Agency (CIA), but she did not talk to him. [redacted] later confronted HOWARD with this information. He replied that he worked in [redacted] but "through the CIA." About 1983, [redacted] asked HOWARD about his work in general terms, and he admitted to her that he was an employee of the CIA. He said that sometimes he felt like he was in over his head and appeared overwhelmed by the job. HOWARD was supposed to go [redacted] and was concerned that an

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Investigation on 10/4/85 at [redacted] File # BA 65A-4562

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by SA [redacted] SP [redacted] Date dictated 10/10/85

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Continuation of FD-302 of [redacted], On 10/4/85, Page 2

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b7C

American diplomat had been beaten there and said it could have been him because part of his job was to get people involved in espionage.

(S) When [redacted] saw HOWARD around Christmas 1982, while he was studying the Russian language at Georgetown University, Washington, D.C., he appeared to be uncomfortable about his future posting [redacted]. He showed her a .44 caliber Magnum pistol that he had purchased, but gave no reason for having bought it. After HOWARD's son was born [redacted] he said that he did not want to take his son to [redacted] where he was to go in April or May, 1983.

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(S) In the spring of 1983, HOWARD told [redacted] that he was not going to [redacted] but had taken a job in New Mexico. On later visits to the Washington, D.C. area, HOWARD said that he had contacts in Washington, D.C., whom he visited frequently, but he did not elaborate.

About this time, [redacted] asked HOWARD if he had any contact with CIA. He replied that he had only one contact and said they, implying CIA, are going to pay for his psychiatrists from now until the day he dies. He said that working there had changed him.

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[redacted] said she last saw HOWARD at [redacted]

[redacted]

HOWARD said that he was to meet a person in the lobby of the Days Inn, Shady Grove Road, Gaithersburg, Maryland. She did not get the impression this individual was staying at the Days Inn. Four or five times, HOWARD attempted to call this individual from a phone [redacted] without success.

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HOWARD told her that he had arrived in Washington, D.C. the previous Thursday for meetings, which he did not further describe.

HOWARD drank an uncharacteristically large amount of alcohol [redacted]
[redacted] appeared to [redacted] to be in a wistful and melancholy mood. [redacted]

[redacted]

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b7C

[redacted] asked HOWARD about hunting. He replied that he had no guns in his house and had gotten rid of all of them, which seemed strange to her. HOWARD never told her about his arrest on a weapons charge.

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Continuation of FD-302 of [REDACTED], On 10/4/85, Page 3

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[REDACTED] described HOWARD as a sensitive and moral person adding that he cares about people. He is also very analytical.

[REDACTED]

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[REDACTED] said that she believes HOWARD has fled the United States and is living in Latin America, where he feels comfortable.

[REDACTED] was advised of the provisions of the Harboring Statute and said that she would cooperate with the FBI in locating HOWARD. [REDACTED] suggested that one [REDACTED] is a friend of HOWARD [REDACTED] [REDACTED] would know how to locate him.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/10/85

[redacted]
[redacted]
was advised that the purpose of interview was to determine his knowledge of EDWARD LEE HOWARD.

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(S)

[redacted]
[redacted] HOWARD was
at this school for the first semester of his senior year, graduated in January, 1969
and went to the University of Texas.

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[redacted]
[redacted] HOWARD also attended the University of Maryland at
Munich, West Germany, for a semester.

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[redacted] advised that HOWARD also attended graduate school at the American
University, Washington, D.C. He lived in Prince Georges County, Maryland, in
the early 1970's.

[redacted] advised that about 1981, HOWARD worked for about one and a half
years for an energy investment firm in Chicago, Illinois. This firm also had
an office in Washington, D.C., and in connection with this employment, HOWARD
took trips to Colorado. [redacted] cannot recall the name of the firm.

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Investigation on 10/4/85 at [redacted] File # BA 65A-4562

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by SA [redacted] sp [redacted] Date dictated 10/10/85

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Continuation of FD-302 of [REDACTED], On 10/4/85, Page 2

[REDACTED]

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This was the first time that [REDACTED] noticed that HOWARD was drinking heavily. HOWARD also appeared overweight and said that he had quit jogging.

(S) [REDACTED] learned [REDACTED] that HOWARD had expressed serious concerns about the ethics of the CIA and said that's why he had left that agency's employment. He also said that he did not want to take his wife and baby on foreign tours. When a U.S. official was beaten [REDACTED] HOWARD had said that he was to have occupied the position of that official.

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HOWARD had been an avid duck hunter, but recently said that he does not hunt anymore. He is a gun collector and has an extensive weapons background.

[REDACTED]

[REDACTED] advised that HOWARD usually travels light and would not check baggage. He is fluent in Spanish. He is an independent outdoorsman, who is equally adept in the wild or in a city. HOWARD likes gadgets, is handy with engines and is a motorbiker. He is economical and is a conservative dresser.

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[REDACTED] advised that he has no idea where HOWARD is. He suspects that HOWARD will contact [REDACTED] For consolation, he is likely to contact [REDACTED]

[REDACTED]

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[REDACTED] was advised of the provisions of the Harboring Statute and pledged his cooperation in locating HOWARD.

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10/8/85

[redacted] were interviewed at [redacted]
 [redacted] After
 being advised of the identities of the Interviewing Agents
 and the nature of the investigation, they provided the
 following information voluntarily:

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[redacted]
 with EDWARD HOWARD and thought he was a very professional
 and conscientious worker. [redacted] were surprised
 to hear about the news of HOWARD'S alleged involvement with
 the KGB. [redacted]
 [redacted] but could not provide any real insight
 into HOWARD'S makeup. He said HOWARD had "a lot of common
 sense". [redacted] agreed that EDWARD HOWARD
 seemed to be a "close-mouthed" individual and did not reveal
 his inner thoughts to them.

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[redacted]
 [redacted] EDWARD HOWARD had told them that
 he had also spent some time in Peru.

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~~Classified by 63~~
~~Declassify on: OADR~~

Investigation on 10/5/85 at [redacted] File # Albuquerque
65A-590- 44
 by SA [redacted] /mma Date dictated 10/8/85

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65A-590

Continuation of FD-302 of , On 10/5/85, Page 2b6
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stated that at one point EDWARD HOWARD had arranged a trip to Boston, Massachusetts through TRAVEL WORKS (983-6356), a travel agency in Santa Fe,

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AQ 65A-590
EGB/mma

~~SECRET~~

- 1 -

The following investigation was conducted by Special Agent [REDACTED]

AT [REDACTED]

On October 4, 1985, [REDACTED]
[REDACTED] telephonically contacted the Santa Fe FEDERAL
BUREAU OF INVESTIGATION Office to advise that [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] could not provide any other information,
but stated that [REDACTED] could provide additional
information. [REDACTED] was advised that the FEDERAL BUREAU OF
INVESTIGATION would interview [REDACTED]

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Classified by ~~G-3~~
Declassify on: ~~OADR~~
1030

165A-590-2613-6

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10/8/85

[redacted] was interviewed at her residence, [redacted]

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After being advised of the identities of the Interviewing Agents and the nature of the interview, she provided the following information.

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b7C~~SECRET~~~~Classified by G-3
Declassify on: OADR~~

Investigation on 10/4/85 [redacted] File # Albuquerque 65A-590-Sub 6-116
by SA [redacted] SA [redacted] Date dictated 10/5/85
1031

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/5/86

[redacted] was advised of the identity of the interviewing Agent and that the purpose of this interview was to obtain information regarding EDWARD LEE HOWARD.

[redacted] was interviewed at his place of employment,

[redacted] and provided the following information:

[redacted] first met HOWARD at AMERICAN UNIVERSITY in the fall of 1974. Both he and HOWARD were graduate business students. [redacted]

[redacted] stated that, following graduation, HOWARD joined the U. S. Agency for International Development (USAID) and was assigned to Lima, Peru. [redacted] and HOWARD maintained contact throughout the years via notes, letters and Christmas cards. [redacted] advised that the following addresses were utilized by HOWARD while out of the United States:

1. Lima ID State Department, Box 2052D
Washington, D. C.
2. APO New York 09865

[redacted] He further stated that after completing the Peru tour of duty, HOWARD resigned from USAID and sought employment in Houston within the international banking industry. HOWARD visited [redacted] but did not obtain the desired employment. That was the last time [redacted] saw HOWARD, [redacted]

[redacted] stated that HOWARD worked for a Chicago consulting firm between 1979 and 1981. The following was

Investigation on 1/30/86 at [redacted] File # HO 65A-1151

by SA [redacted] /dgm ~~SECRET~~ Date dictated 2/4/86

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Continuation of interview of _____

Page 2

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provided from _____ address book as HOWARD'S address and telephone number between 1979 and 1981:

130 Karmen, Barrington, Illinois 60010, (312) 381-3480.

_____ stated that, between 1981 and 1983 HOWARD lived at 9654 Scotchhaven Drive, Vienna, Virginia, 22180 and that HOWARD may have been working as a consultant during that period of time. HOWARD moved to 108 Vuand Loop, Santa Fe, New Mexico, 87501 in late 1983. _____ was unaware of HOWARD'S employment or other activities while in New Mexico.

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Following HOWARD'S return from Peru, he advised _____ that, due to the exchange rate, he had been able to save \$30,000.00.

Prior to attending AMERICAN UNIVERSITY in 1974, HOWARD was in the Peace Corps stationed in the Dominican Republic and Colombia where he developed a friendship with two males. No identifying information is available, however, _____

_____ stated that HOWARD was an average beer drinker and a moderate user of marijuana during his time at AMERICAN UNIVERSITY. _____ described HOWARD as "pretty aggressive regarding money", very knowledgeable regarding government and very interested in international business. No mention was made by HOWARD to _____ about travel other than associates with HOWARD'S work with USAID and the Peace Corps. Further _____ was never told by HOWARD of HOWARD'S work with the Central Intelligence Agency.

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AQ 65A-590
DTB:bla

- 1 -

This communication is classified "~~SECRET~~" in its entirety.

On September 25, 1985, the following investigation was conducted by Special Agent [redacted] and Special Agent [redacted]

A check was made of two (2) cabins, owned and operated by the firm which handles the El Dorado, New Mexico, estate properties, with negative results. Both cabins were located approximately five (5) miles from the residence of EDWARD LEE HOWARD. The agents were accompanied by [redacted] from El Dorado Estates.

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The following investigation was conducted by Special Agent [redacted]

On September 26, 1985, [redacted] was contacted and advised of the fugitive status of EDWARD LEE HOWARD. [redacted] advised that the last time he saw HOWARD was on Thursday, September 19, 1985, around noon,

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Classified by G-3
Declassify on: OADR

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65A-590-S167-E

~~SECRET~~

AQ 65A-590
DTB:bla

- 2 -

[] advised that should any information come to his attention concerning the possible location of EDWARD LEE HOWARD, he would immediately contact the Federal Bureau of Investigation.

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b7C

On September 26, 1985, [] were contacted at the Greyhound/Trailways terminal on St. Michaels Boulevard in Santa Fe, New Mexico. Both [] were shown a photograph of EDWARD LEE HOWARD and they advised that he was not familiar to them. They advised that the bus station closes at 10:30 p.m. at night and is reopened at 8:00 a.m. They advised that it would be possible for an individual to obtain a ticket directly from a bus driver during the closed hours and would not go through the station.

[] advised that there is a 12:05 a.m. Trailways bus to Denver, a 2:10 a.m. Greyhound bus to Denver and a 6:35 a.m. Greyhound bus to Albuquerque and El Paso.

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On September 26, 1985, [] Budget Car and Truck Rental, 1946 Cerrillos Road, Santa Fe, New Mexico, advised that a check of rentals under the name of EDWARD LEE HOWARD and his known aliases failed to reveal a person by these names mentioned renting a Budget vehicle on September 21, 22 or 23, 1985.

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AQ 65A-590
DPW:bla

- 1 -

This communication is classified "~~SECRET~~" in its entirety.

The following investigation was conducted by Special Agents [REDACTED]

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AT SANTA FE, NEW MEXICO

On August 8, 1985, [REDACTED]

[REDACTED] indicated that [REDACTED] is out of town and will not be available for interview until October 16, 1985. [REDACTED] indicated further that [REDACTED] of EDWARD L. HOWARD. [REDACTED]

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b7C

[REDACTED] indicated that she was not aware of [REDACTED] procedures if the Federal Bureau of Investigation should desire discussing the contents of [REDACTED] indicated that [REDACTED] office number is [REDACTED] and his home number is [REDACTED]

~~SECRET~~

~~CLASSIFIED BY G-3
DECLASSIFY ON: OADR~~

1037

(4) 100-1012-10

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10-1-85

On October 1, 1985, [REDACTED]

[REDACTED] was interviewed at her residence.

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[REDACTED] was advised of the identity of the Interviewing Special Agents and that the nature of the interview concerned [REDACTED] EDWARD LEE HOWARD, 108 Verano Loop. Thereafter, [REDACTED] supplied the following information:

[REDACTED] stated that immediately before Special Agents [REDACTED] knocked on her door, [REDACTED]

[REDACTED] provided the following information

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b7C

[REDACTED] stated that [REDACTED] told her that [REDACTED] and that EDWARD HOWARD was somehow tied into a recent KGB Defector.

[REDACTED] described EDWARD HOWARD as "a loner", who enjoyed the outdoors and camping. [REDACTED] stated that the [REDACTED]

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Classify by: G-3
Declassify on: OADR

Investigation on 10-1-85 at [REDACTED] File # Albuquerque 65A-590-Sub-143
by SA [REDACTED] jps/mma Date dictated 10-6-85
SA [REDACTED] 1038

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65A-590

10-1-85

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Continuation of FD-302 of _____, On _____, Page _____

The only other significant social contact _____
has had with _____

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_____ belong to the Santa Fe
Council on International Relations, Post Office Box 1223,
Santa Fe, New Mexico, telephone number (505) 982-4931.

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~~SECRET~~

AQ 65A-590
CSD:rjc

- 1 -

The following investigation was conducted by Special Agents [redacted] on October 3, 1985.

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AT SANTA FE, NEW MEXICO

[redacted] advised [redacted] with EDWARD LEE HOWARD based on a criminal investigation conducted by the District Attorney's Office in Santa Fe.

[redacted] advised he wanted to cooperate with the Federal Bureau of Investigation (FBI's) investigation, however, [redacted]

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[redacted] said that he would be willing to furnish his records concerning his contact with HOWARD if ordered by the court.

[redacted] advised that he first had contact with HOWARD regarding a local firearms violation. At this time, [redacted] did not consider HOWARD suicidal but stated that things could have changed since that time. [redacted] went on to say that HOWARD was very intelligent, thus making his apprehension very difficult.

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[redacted] said after a review of HOWARD'S records, he honestly did not feel there was anything in his file that would assist in locating him.

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65A-590-Sub 1.3 - PC

~~SECRET~~

- 1 -

The following investigation was conducted by SA

[REDACTED]

AT SANTA FE, NEW MEXICO

On October 4, 1985, [REDACTED]

[REDACTED] Employee Assistance Program for the State of New Mexico, 1451 Saint Michael's Drive, Santa Fe, New Mexico, [REDACTED] was interviewed in the presence of CLIFFORD M. REES, Special Assistant Attorney General for the State of New Mexico.

REES stated that pursuant to 42 CFR, part II, July 1, 1985, Sections 2.61 and 2.64, [REDACTED] is specifically prohibited by federal regulation to provide any information in this matter absent a court order. [REDACTED] speculated confidentially that the subject may be in Mexico City, but could not elaborate on this hunch. He did not believe the subject is still in the area.

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Classified by G-3
Declassify on: OADR

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65A-590 - 131

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~~SECRET~~

AQ 65A-590
WHW:bla

- 1 -

The following investigation was conducted by Special Agent [redacted] (Washington Field Office):

AT [redacted]

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On October 14, 1985, [redacted]
[redacted] was advised of the identities of the
Federal Bureau of Investigation Special Agents [redacted]
and [redacted] and she furnished the following information:

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[redacted]
[redacted] She has never met EDWARD HOWARD and knows nothing about
[redacted]

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/25/85This communication is classified ~~SECRET~~ in its entirety.

On October 21, 1985, [redacted]

[redacted] was interviewed at

his place of business by Special Agent [redacted]
Special Agent [redacted] regarding [redacted]
EDWARD LEE HOWARD. After being advised of the agent's identity
and purpose, [redacted] furnished the following information:

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[redacted] advised that in retrospect, HOWARD'S affect
was strange, which was not unusual for an alcoholic, but that
he seemed intelligent and fairly insightful. [redacted] stated he

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Albuquerque

Investigation on 10/21/85 at [redacted] File # 65A-590-sub 4-296
SA [redacted]
by SA [redacted] Date dictated 10/21/85

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AQ 65A-590

Continuation of FD-302 of [REDACTED], On 10/21/85, Page 2

knew of no prescription medications on which HOWARD might be dependent. He advised he did not discuss anything other than [REDACTED] with HOWARD, since it was [REDACTED] understanding that HOWARD was in counseling [REDACTED]

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At the time of the above interview, [REDACTED] was provided with a Federal Grand Jury Subpoena for [REDACTED] and furnished the interviewing agents with [REDACTED]

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~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 10/25/85

This communication is classified "~~SECRET~~" in its entirety.

On October 21, 1985, Special Agents [redacted] and [redacted] Federal Bureau of Investigation, served a subpoena from the United States District Court, New Mexico, on [redacted] for his person to appear with documents pertaining to [redacted] before the Grand Jury, U.S. District Court House, Albuquerque, New Mexico at 9:00 a.m., November 19, 1985, or turn over same to an agent of the FBI.

[redacted] accepted the subpoena, however, he indicated that as a standard policy, he preferred to have his personal attorney review the subpoena prior to compliance or interviews by Special Agents of the FBI. He stated that he would immediately contact the FBI as soon as possible regarding this matter.

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Investigation on 10/21/85 at [redacted] File # Albuquerque 65A-590-Sub B
by SA [redacted] RJF:mev Date dictated 10/21/85

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~~SECRET~~

~~SECRET~~
FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/18/85

This communication is classified ~~SECRET~~ in its entirety.

[redacted]
[redacted]
was contacted and advised of the personal as well as official identity of the interviewing agent. [redacted] advised that he had previously been served with a Federal Grand Jury subpoena calling for [redacted]

[redacted] advised that he had consulted his attorney, [redacted] who advised him to comply with the Federal Grand Jury subpoena and furnish any requested information to the Federal Bureau of Investigation.

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Investigation on 11/15/85 at [redacted] File # Albuquerque 65A-590

by SA [redacted] ¹³ pap

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~~SECRET~~

Date dictated 11/18/85

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Declassify on: OADR

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE PERSONNEL

~~SECRET~~

~~SECRET~~

- 1 -

The following investigation was conducted by SA

[redacted] and SA [redacted]

AT SANTA FE, NEW MEXICO

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On October 3, 1985, [redacted]

[redacted] was interviewed at her place of employment, Legislative Finance Committee (LFC), Round House, State Capitol Building.

[redacted]

b6
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[redacted] LFC, at the Capitol Building, provided photocopies of Mexican newspaper accounts of a speech made by the Governor of New Mexico at Mexico City, Mexico. [redacted] provided these copies to demonstrate his knowledge of the Spanish language. [redacted] believed he obtained these articles from an unknown contact at the United States Embassy at Mexico City.

[redacted] LFC, was contacted at the above address. [redacted] said she had been employed at LFC for [redacted] said that subject took the most out of town trips of anyone in the office, including Boston, San Francisco, New Orleans. [redacted] described his vouchers for these trips as unusual, in that he would sometimes drive when flying was a more logical method of travel.

b6
b7C

[redacted] stated that subject frequented the BULLRING BAR across the street after work hours, and she had personally seen him intoxicated at the bar. She couldn't verify if subject had a drinking problem.

~~SECRET~~

Classified by G-3
Declassify on G/DR

1053

65A-590-Sub B-146

~~SECRET~~

AQ 65A-590
DTB:sjh

- 1 -

The following investigation was conducted by SA

b6
b7C

AT SANTA FE, NEW MEXICO

[redacted] Legislative Finance Committee,
Santa Fe, New Mexico, was contacted, and advised that the last
time she saw ED HOWARD was around [redacted]

b6
b7C

[redacted] was advised of the Federal Fugitive Status of
EDWARD LEE HOWARD, and advised that she would contact the FBI
should she learn of any information regarding his possible
location.

~~Classified by G-3~~
~~Declassify on: OADR~~

~~SECRET~~

1054

65A-570-Sub B-5

~~SECRET~~

AQ 65A-590
RJM:sjh

- 1 -

The following investigation was conducted by SA'S
[redacted]

AT SANTA FE, NEW MEXICO

[redacted] was interviewed at her
place of employment, [redacted]

[redacted] Present during the interview, at the
request of [redacted]

[redacted] was advised of certain provisions of the har-
boring statute, and it was related to her that there was a
Federal Warrant, which had been issued for EDWARD LEE HOWARD.

[redacted] stated that she has been acquainted with
HOWARD, and she last saw him at a New Mexico Legislative Finance
Committee Meeting, on or about September 11, 1985. She advised
that she has not heard or seen of him over the past weekend,
beginning September 20, 1985.

[redacted] stated that the relationship she had with
HOWARD was purely professional, noting they both worked at the
Legislative Finance Committee, [redacted]

[redacted] She further advised that she and HOWARD have always
communicated through their employment at the Legislative Finance
Committee.

[redacted] stated that she would certainly cooperate with
the FBI in this matter, and that she would immediately contact
the FBI should she learn of his possible location.

~~SECRET~~

1055

65A-590-Sub E-1

~~SECRET~~

AQ 65A-590
DTB:sjh

- 1 -

The following investigation was conducted by SA

[redacted] and SA [redacted]

AT [redacted]

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b7C

[redacted]
[redacted] was contacted at his residence by the interviewing agents. [redacted] was advised that the contact was in connection with an individual by the name of EDWARD LEE HOWARD.

[redacted] advised that he and HOWARD were co-workers at the Legislative Finance Committee, and he first met HOWARD

b6
b7C

[redacted]
[redacted] He stated he got along with HOWARD as well as anyone on the LFC Staff, and described HOWARD as being very bright, though odd.

[redacted] advised that HOWARD intimated to him that he had something to do with the CENTRAL INTELLIGENCE AGENCY (CIA).

b6
b7C

Classified by ~~G-3~~
Declassify on: ~~OADR~~

~~SECRET~~

1056

65A-590-50613-2

~~SECRET~~

AQ 65A-590
DTB:sjh

- 2 -

b6
b7C

[] stated that he learned that ED HOWARD had come to the LFC Office on Saturday and asked for the Hewlett Packard plotter. He apparently went into [] office and ran some graphs, which would have been on 8½ x 11" paper. [] stated that [] were the last people to see HOWARD on Saturday at the office.

b6
b7C

~~SECRET~~

1057

~~SECRET~~
~~SECRET~~

AQ 65A-590
DTB:sjh

- 3 -

[] recalled that HOWARD maintained a lot of catalogues in his office about survival equipment, which he described as weird books. He recalled that one of the publications was entitled "Paladin". [] was advised of the Federal Fugitive Status of HOWARD, and advised that he would notify the FBI should any information come to his attention.

b6
b7C

~~SECRET~~
~~SECRET~~

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10/29/85

This communication is classified "~~Secret~~" in its entirety.

A Yale key bearing the inscription GD 13 was tested in the front door of the STATE CAPITAL BUILDING in Santa Fe, New Mexico. After jiggling the key in the lock several times it was determined that the key did in fact open the door.

During previous attempts to open the door with [REDACTED] [REDACTED] LEGISLATIVE FINANCE COMMITTEE, [REDACTED] was unable to get it to work in the lock. However, after reinterview with [REDACTED] regarding the key it was learned that it was necessary to jiggle the key several times in order to get it to work in the lock.

b6
b7c

Classified by G-3
Declassify on: OADR

~~SECRET~~

Investigation on 10/24/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-Sub 1-127
by SA [REDACTED] DTB/jms Date dictated 10/29/85

b6
b7c

FEDERAL BUREAU OF INVESTIGATION

~~SECRET~~

1

9/20/85

This communication is classified "~~Secret~~" in its entirety.

[redacted] Legislative Finance Committee (LFC), State Capitol Building, Santa Fe, New Mexico, Telephone (505) 984-9550, furnished the attached two pages which reflect the official travel dates and annual leave dates for EDWARD HOWARD.

b6
b7C

[redacted] told him that "some people" would most likely be making inquiries in the near future regarding trips that HOWARD had made out of the country. HOWARD explained [redacted] that he had traveled to Milan, Italy, to attend a DRI conference in September, 1984, in conjunction with official State travel to Boston. HOWARD stated that [redacted] was aware of the trip to Italy which HOWARD said he paid for on his own. [redacted] stated that a preliminary review of records revealed that HOWARD took one work day and four days of annual leave to go to the DRI conference of which he spoke. [redacted] advised that the records indicate that the State of New Mexico paid the airfare to Boston and reimbursed HOWARD \$600 for per diem.

b6
b7C~~SECRET~~

Classified by G-3
Declassify on: OADR

Investigation on 9/20/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-Sub E-8
by SA [redacted] ACC Date dictated 9/20/85

b6
b7C

1060

~~SECRET~~

1983

7/20, 21, 22 Chicago (DRI Seminar)

8/10, 11, 12 Los Angeles (DIRI)

10/20, 21, 22, 23, 24, 25, 26 Williamsburg
& Washington (FERC/Labor Stats/Rev Est.)

1984

3/28, 29, 30, 31 New Orleans (FERC/Natural Gas
(Course))

5/17, 18, 19, 20, 21, 22, 23 Philadelphia/Wash
(Chase Econometrics/Not Tax Conf/Sen. Durenco)

6/3, 4 Los Angeles (DIRI)

7/9 El Paso (Gas Co Interview)

9/27, 28, 29 Boston (DRI Energy Seminar)

10/28, 29, 30, 31 → Boston (NATA Revenue
11/1 Estimating Conf)

~~SECRET~~

1985

6/13, 14, 15 Washington (NCSL Banking Conf)

9/15, 16, 17 San Francisco ¹⁰⁶¹ (Gas Conf)

~~SECRET~~

~~SECRET~~

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1983							6	8	9	10 A	4	22
											23	27
												28

1984	6	17 C	1 C	3 $\frac{2}{S}$	9 C	1 $\frac{2}{Pm}$	5-P	1 $\frac{2}{S}$	14 C	19 S	16 $\frac{2}{Pm}$	20 $\frac{2}{S}$
		21 $\frac{2}{S}$	2 C	5 $\frac{2}{Pm}$	17 $\frac{2}{Pm}$	22 $\frac{2}{Pm}$	6 A	8 $\frac{2}{Pm}$	18 C		19 A	27 $\frac{2}{S}$
		27 S	5 C	10 $\frac{2}{Pm}$		29 S	25 C		19 C		20 A	
		28 S	6 C	12 $\frac{2}{S}$			26 C		20 C		22 $\frac{2}{Pm}$	
		29 S	23 C	19 $\frac{2}{Pm}$					21 C			
				20 $\frac{2}{S}$								
				24 $\frac{2}{Pm}$								
				26 $\frac{2}{S}$								

1985	9 $\frac{2}{S}$	19 $\frac{2}{S}$	22 $\frac{2}{Pm}$	29 C	9 C	5 $\frac{2}{Pm}$	1 S	6 A	5 S
		25 C	30 P	21 S	11 $\frac{2}{Pm}$	5 C	7 A	13 A	
		27 C		27 C	18 $\frac{2}{Pm}$	8 $\frac{2}{S}$	8 A		
		28 C		31 S	25 $\frac{2}{S}$	25 S	9 C		
							12 C		
							13 C		

A = Annual Leave
C = Comp time
S = Sick leave
P = Personal Holiday
am = morning
pm = afternoon
 $\frac{2}{pm}$ = 2 hours in pm (same for $\frac{2}{am}$)

~~SECRET~~

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/27/85

[redacted] Legislative Finance Committee, State Capitol Building, Santa Fe, New Mexico, telephonically advised that he had gone to his office this Sunday afternoon, at which time he located a letter of resignation from EDWARD LEE HOWARD [redacted] SA [redacted] met [redacted] at his office, and was provided with a copy of the letter of resignation, which was typed on official New Mexico State stationery. The contents of the letter was as follows:

"Date, September 22, 1985, [redacted]
Legislative Finance Committee, Dear [redacted]"

For personal reasons, I hereby tender my resignation from my position with the committee, effective immediately. Please process the appropriate paperwork, and see that all balances due me, (travel reimbursements), leave, salary, and my P.E.R.A. (retirement), is given to [redacted]

I hope some day to be able to explain this to you and the rest of the staff. Sincerely, EDWARD L. HOWARD."

[redacted] advised there was also another envelope attached, handwritten [redacted] in care of [redacted] PERSONAL."

[redacted] checked office number 247 at the State Capitol Building, which had been HOWARD'S office, and determined that there was no one in the office. [redacted] advised that inasmuch as HOWARD had entered his resignation, and had turned in his key to the office, all of the property in the office had reverted to the State of New Mexico, and any items in the office were open to scrutiny [redacted] was furnished with a Consent to Search Form for Room 247, at the State Capitol, Santa Fe, New Mexico, which he signed. The office was examined by SA [redacted] pursuant to the Consent to Search, and the following items were located and retained as possible evidence:

1) A 1984 Weekly Minder, black in color, from the top of the desk.

Investigation on 9/22/85 at Santa Fe, New Mexico File # Albuquerque 65A-590
by SA [redacted] sjh Classified by G-3
Declassify on: OADR Date dictated 9/27/85

~~SECRET~~

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1063

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~~SECRET~~

AQ 65A-590

Continuation of FD-302 of _____, On 9/22/85, Page 2 b6
b7C

2) A 1985 Weekly Minder, red in color, from the top of the desk.

3) A pack of business cards, from the middle desk drawer.

4) A note from the trash can near the window.

No further items were removed from the office, and _____ was furnished with a receipt for the items, as well as a copy of the Consent to Search Form.

_____ and SA _____ returned to _____ wherein he telephonically advised _____ of the details of the letter of resignation _____ as well as the envelope _____

_____ advised that _____

b6
b7C~~SECRET~~

1064

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/27/85

This communication is classified ~~"SECRET"~~ in its entirety.

Legislative Finance Committee (LFC), State Capitol Building, Santa Fe, New Mexico, Telephone No. 505/984-9550, furnished the attached four (4) pages, which reflect the official travel dates and annual leave dates for EDWARD LEE HOWARD, as well as the expenditures for mileage and per diem.

b6
b7C~~SECRET~~~~Classified by 238
Dec 10, 1985~~

Investigation on 9/25/85 at Santa Fe, New Mexico File # Albuquerque 65A-590 sub 6-22

by ¹³³pla Date dictated 9/26/85

b6
b7C

1065

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~~SECRET~~

	Mileage	Per Diem	Total
1) Parking & Shuttle 2 1/4 days	33.80	160.00	193.80
2) Transp Plane ticket 2 1/4 days	56.30 130.00	144.00	330.30
3) Transp Plane ticket 6 1/2 days	318.00 237.55	377.00	932.55
4) Transp Plane ticket 3 days	56.60 235.00	192.00	483.60
5) Transp / Regis Plane ticket 6 days	236.81 383.00	545.00	1,164.81
6) Transp Plane ticket 1 day	59.10 98.00	101.00	258.10
7) Transp Plane-ticket actual	54.60 99.00	20.60	154.20

1067

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	Mileage	Per Diem	TOTAL
8) Transp	76.15		
Plane ticket	380.00		602.15
2 days		146.00	
9) Transp	72.85		
Plane ticket	445.00		880.22
Actual		362.37	
10) Transp	50.60		
Plane ticket	400.00		653.60
2 1/2 days		203.00	
11) Transp	130.50		
Plane Ticket	259.00		687.96
Actual		297.46	
	3,791.86	2,548.43	6,340.79

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1068

~~SECRET~~

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 10/3/85

[] LEGISLATIVE FINANCE COMMITTEE (LFC), State Capitol Building, Santa Fe, New Mexico, telephone number (505) 984-9550, furnished eight (8) diskettes he removed from the desk of former employee EDWARD LEE HOWARD. [] advised that HOWARD had a personal computer with screen and modem in his office which were provided by the State of New Mexico. The personal computer is manufactured by IBM and the main programs in use are: Micro Soft Chart which are generated usually on a plotter, Multimate files, and Lotus 1,2,3 which are work sheet files.

b6
b7C

[] advised he had [] review the disks who determined that they all contained information relating to business at the LFC except for one. [] furnished the attached material which was on the one tape and appeared to have been prepared by HOWARD.

b6
b7C~~SECRET~~

Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-Sub-31
by SA [] DTB:mev Date dictated 10/1/85

b6
b7C

1070

~~SECRET~~

C>a:

A>dir

Volume in drive A has no label
Directory of A:\

TAIL1	DOC	4608	9-27-85	9:45a
TAIL2	DOC	5120	9-27-85	9:49a
REVENUE	DOC	4096	1-01-80	12:02a
TAIL3	DOC	4608	9-27-85	9:52a
TAIL4	DOC	3072	9-27-85	10:05a
CARE	DOC	3072	9-27-85	10:09a
[REDACTED]	DOC	2560	9-27-85	9:53a
[REDACTED]	DOC	1536	9-27-85	9:39a
GRAPHIC	DOC	2560	9-27-85	10:12a
FARMING	DOC	3584	9-27-85	10:06a
QREC	DOC	4096	9-27-85	10:02a
[REDACTED]	DBK	1536	9-27-85	9:38a
FEL	DOC	2560	9-27-85	10:06a
[REDACTED]	DBK	2560	9-27-85	9:39a
TAIL1	DBK	4608	9-27-85	9:43a
AUDIT	DOC	4096	9-27-85	10:14a
TAIL2	DBK	4608	9-27-85	9:48a
TAIL3	DBK	4608	9-27-85	9:51a
STATE	DOC	3072	9-27-85	10:03a
JOSALE	DBK	2048	9-27-85	9:54a
WORLDB	DBK	2048	9-27-85	9:56a
AUDIT2	DOC	1536	1-01-80	2:26a
UNWRA	DBK	2560	9-27-85	9:50a
UNWRA1	DBK	2560	9-27-85	9:59a
PROFES	DOC	2048	9-27-85	10:01a
DRIVEN		0	1-01-80	12:03a
PRESS	DBK	2048	9-27-85	10:01a
MAINA	DBK	3072	9-27-85	10:04a
TAIL4	DBK	3072	9-27-85	10:04a
[REDACTED]	DBK	3584	9-27-85	10:13a
MAINA	DOC	3072	9-27-85	10:04a
[REDACTED]	DOC	3584	9-27-85	10:13a
FY74REV	DOC	3072	9-27-85	10:10a
UNWRA	DOC	2560	9-27-85	9:56a
[REDACTED]	DBK	3584	9-27-85	10:13a
FY74REV	DBK	3072	9-27-85	10:14a
[REDACTED]	DOC	3584	9-27-85	10:12a
[REDACTED]	DOC	2048	1-01-80	1:32a
JURALE	DOC	2048	9-27-85	9:55a
UNWRA1	DOC	2560	9-27-85	10:00a
WORLDB	DOC	2048	9-27-85	9:57a
EDTAX	DOC	3072	9-27-85	10:14a
TOUCHE	DOC	4608	6-21-85	12:27p
BANKSTUD	DOC	2048	6-28-85	12:35p

44 File(s) 179200 bytes free

b6
b7C

b6
b7C

1071

~~SECRET~~

July 23, 1985

~~SECRET~~

[redacted]
International Employment
CARE
660 First Ave.
New York, N.Y. 10016

b6
b7C

Dear [redacted]

Enclosed please find my resume in response to your recent "Hotline" advertisement for consultants and project managers who have had experience in third world small enterprise development. As you can see, I have had approximately seven years of experience between my work as a Peace Corps Volunteer, research assistant for the Small Business Administration, and as an A.I.D. capital projects officer with responsibilities in the rural enterprises development area

I have reached a point in my professional development where I would be interested in returning to international development work at the project management level and therefore am interested in CARE'S need for someone with my qualifications. Please feel free to contact me directly either in writing or by telephone should you be interested in discussing my qualifications in greater detail.

Thank you for attention in this matter and I wish you the best of luck in finding the right people for these projects.

Sincerely,

Edward L. Howard

1072

~~SECRET~~

~~SECRET~~

DOCUMENT SUMMARY SCREEN

Document FFL
Author HOWARD
Addressee
Operator

Total pages 1

Identification key words :

Comments :

Creation Date 01/01/80
Modification Date 09/27/85

Keystrokes last session 1
Total keystrokes 1883

1073
~~SECRET~~

~~SECRET~~

108 VERAND LOOP
SANTA FE, N.M. 87505
JANUARY 16, 1984

REGIONAL ADMINISTRATOR
DEPT OF TREASURY- BUREAU OF ALCOHOL,
TOBACCO, AND FIREARMS
1114 COMMERCE STREET
ROOM 701
DALLAS, TEXAS 75242

DEAR SIR:

IN ACCORDANCE WITH YOUR REGULATIONS, I AM SUBMITTING THE BOUND COPY OF MY FFL # 5 85 026 01 A4 07826 RECORDS BOOK PLUS ALL OF THE COMPLETED FORM 4473's. THE COMPLETED SEVEN FORM 4473's SHOW THE DISPOSITION OF ALL THE FIREARMS I OBTAINED AND ARE RECORDED IN THE FRONT OF THE RECORD BOOK. TOWARDS THE REAR OF THE SAME RECORD BOOK IS MY AMMUNITION DISPOSITION RECORD. PLEASE NOTE THAT ALL ITEMS WHICH I DID NOT TRANSFER TO MYSELF WERE EITHER TRANSFERRED TO FRIENDS OR RELATIVES AT COST.

IF YOU HAVE ANY QUESTIONS ABOUT MY ACTIONS YOU MAY CONTACT ME AT
(505) 984-0079.

SINCERELY,

EDWARD L. HOWARD

~~SECRET~~
1074

DOCUMENT SUMMARY SCREEN

Author
Addressee
Operator

~~SECRET~~

Identification key words :

Comments :

Creation Date 07/24/85
Modification Date 09/27/85

Keystrokes last session 0
Total keystrokes 0

~~SECRET~~

1075

108 Verano Loop
Santa Fe, N.M.
87505

~~SECRET~~

page 4

"Are you okay?", Angela inquired of her rescuer. "My God they were terrible... and I thought I was going to die for sure. Filthy pigs! Ow! these ropes hurt! Could you untie me now?"

"Miss, this just ain't gonna be your day", Toney chuckled as he walked towards her unbuckling his turquoise and silver belt buckle..END.

EPILOGUE. The news spread quickly that Santa Fe had a new hero. Reporters besieged the Armijo home with phone calls and requests for interviews with the teenager who saved the pretty young nuclear freeze organizer.

Later in the week, with the sadistic Texans behind bars, the Governor called a press conference to present an award for heroism to the young man from Agua Fria.

There, on the steps of the Capitol, with a starry eyed Miss Von Haden gazing at his youthful physique, New Mexico's Governor congratulated our young hero.

"And what would you like to do when you finish high school? Go on to college? Become an engineer? Or maybe a businessman? You know we now have severance tax money for small businessmen", joked the Governor, never missing a chance to plug his programs before the press.

"No, thanks", Toney smiled as he returned the glowing look of Angela Von Haden. "I think I'd like to get involved in politics"

Watch for more chapters in the continuing saga of Toney Armijo. Will he use Angela's money and connections to get into politics? Watch how he fares climbing the political ladder of state and national politics!

~~SECRET~~
1076

~~SECRET~~

DOCUMENT SUMMARY SCREEN

Document tail4
Author sasha
Addressee
Operator

Total pages 1

Identification key words :

Comments :

Creation Date 01/01/80
Modification Date 09/27/85

Keystrokes last session 1
Total keystrokes 1683

~~SECRET~~
1077

~~SECRET~~

FOR IMMEDIATE RELEASE

CONTACT:

b6
b7c

LEGISLATIVE FINANCE COMMITTEE SOLICITS REVENUE MANNA

SANTA FE- AT HEARINGS ON OCTOBER 10, 1984 DURING WHICH THE DEPARTMENT OF FINANCE AND ADMINISTRATION (DFA) INFORMED THE LFC OF THE REVENUE PROJECTIONS FOR THE 74TH FISCAL YEAR IT BECAME APPARENT OF THE NEED FOR A "REVENUE MIRACLE".

"JUST AS JESUS TOLD THE CHILDREN OF ISRAEL DURING THEIR EXODUS FROM EGYPT, SO WE TOO SHALL HAVE TO INFORM ALL STATE AGENCIES OF THE NEED FOR ANOTHER MANNA IF WE ARE GOING TO TAKE THEIR EXPENDITURE REQUESTS SERIOUSLY", SENATOR SMITTY EOFF TOLD FELLOW LFC MEMBERS AFTER HEARING DFA'S REVENUE PROJECTIONS. SENATOR EOFF WAS REFERRING TO THE FACT THAT DFA REPORTED A 74TH FISCAL YEAR REVENUE RANGE PROJECTION OF \$1351 TO \$1474 MILLION.

"TAKING THE MID-POINT OF THE DFA REVENUE RANGE WOULD PRODUCE EXPECTED REVENUES OF APPROXIMATELY \$1412.5 MILLION AND WOULD REPRESENT AN \$84.2 MILLION INCREASE IN RECURRING REVENUES OVER 73RD FISCAL YEAR RECURRING APPROPRIATIONS", LFC DIRECTOR CURTIS PORTER NOTED. "THAT WILL NOT BE ENOUGH TO FUND THE \$108.5 MILLION IN 74TH FISCAL YEAR GENERAL FUND EXPENDITURE INCREASES WE HAVE RECEIVED SO FAR AND THAT DOESN'T INCLUDE ANY INCREASES WHICH MAY WELL COME FROM EDUCATION WHICH REPRESENTS ALMOST TWO-THIRDS OF THE TOTAL GENERAL FUND BUDGET" PORTER ADDED.

ONE LFC STAFF ANALYST FURTHER STATED THAT " WITH 28 OF THE MAJOR STATE AGENCIES REQUESTING AN AVERAGE GENERAL FUND APPROPRIATION INCREASE OF 28.5 PERCENT AND RECURRING REVENUES ONLY RISING ONLY BY ABOUT 8.8 PERCENT, THERE COULD BE SOME MINOR MODIFICATIONS MADE TO AGENCY BUDGETS DURING THE FALL LFC BUDGET HEARING PROCESS".

~~SECRET~~
1078

~~SECRET~~

DOCUMENT SUMMARY SCREEN

Document manna
Author
Addressee
Operator

Total pages 1

Identification key words :

Comments :

Creation Date 01/01/80
Modification Date 09/27/85

Keystrokes last session 1
Total keystrokes 1291

~~SECRET~~
1079

~~SECRET~~

UNCLASSIFIED 12946

PAGE 01 TOKYO 39231

53
ORGIN EA-20
INFO ECON-02/021 R

R 172313Z APR 84
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC
INFO AMEMBASSY TAIWAN

UNCLAS TOKYO 39231

E.O. 11652:N/A

TAGS:ECON,EA

SUBJECT: NEW MEXICO TRADE DELEGATION

REF: STATE 378654

- 1.SUMMARY: NEW MEXICO TRADE DELEGATION HEADED BY STATE GOVERNOR DREW MODEST INTEREST ON PART OF GOJ. STANDARD TRADE ASSISTANCE PACTS WERE SIGNED HOWEVER GOJ TRADE OFFICIALS VIEW THIS PRIMARILY AS PROTOCOL EFFORT:END SUMMARY.
- 2.PER BUREAU QUERY EMBASSY ECON OFFICER CONSULTED WITH GOJ COUNTERPART REGARDING VISIT BY NEW MEXICO TRADE DELEGATION.GOJ TRADE COUNTERPART WAS AT FIRST UNAWARE OF DELGATIONS TOKYO VISIT BUT AFTER CONSULTING WITHIN MINISTRY FOUND OUT THAT VISIT WAS BEING COORDINATED BY GOJ TRADE THIRD WORLD DESK. NM DELGATION APPARENTLY ARRIVED IN TOKYO ON 7 APRIL AND DEPARTED ON 13 APRIL.DURING VISIT GOJ TRADE SPONSORED STANDARD SERIES OF INTERVIEWS WITH SUB-CABINET STAFF AND VISITS TO LOCAL INSTITUTIONS OF INTEREST. AS NOTED, ROUTINE SERIES OF TRADE ASSISTANCE PACTS WERE FORMALIZED.
- 3.GOJ TRADE COUNTERPART BELIEVES VISIT WAS BENEFICIAL FOR MITSUBUSHI MINE OPERATION IN SOUTHERN NEW MEXICO BUT,OTHER THAN THE TRADE PACTS WHICH WERE TERMED PROTOCOL IN NATURE,FORSEES NO IMMEDIATE TRADE BENEFITS FOR EITHER PARTY.
- 4.GOJ REPRESENTATIVE NOTES THAT NM DELEGATION APPARENTLY HAD DISAGREEMENT WITH LOCAL HOTEL MANAGEMENT OVER FOOD SERVICE ARRANGEMENT.NM DELEGATION PROTESTED LACK OF BANANAS IN HOTEL RESTAURANT FOR DELEGATION HEAD. HOTEL MANAGEMENT FOR THEIR PART WAS CONCERNED OVER NUMEROUS ROOM SWITCHING INCIDENCES BY NM DELEGATION (FYI: NM DELEGATION TERMED THESE INCIDENCES AS QUOTE STAFF CHANGES UNQUOTE).
5. EMBASSY TRUSTS ABOVE SATISFIES BUREAU INFO REQUEST AND SUGGESTS FUTURE VISITS BY THIS DELEGATION BE MINIMIZED.

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DOCUMENT SUMMARY SCREEN

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SAUDI'S ANNOUNCE MAJOR OIL PRICE CUTS

RIYADH- SAUDI OIL MINISTER AHMED ZAKI YAMANI ANNOUNCED HIS COUNTRIES INTENTIONS TO BOOST SAUDI OIL PRODUCTION TO 4.3 MILLION BARRELS PER DAY EFFECTIVE SEPTEMBER 1, 1985 WITH THE GOAL OF ULTIMATELY INCREASING TO A 9 MILLION BARREL PER DAY QUOTA BY JANUARY 1, 1986. THE ANNOUNCEMENT HAS SENT SHOCK WAVES THROUGHOUT THE OPEC COMMUNITY AND IS EXPECTED TO CAUSE PRICE REDUCTIONS IN THE PRICE OF SAUDI LIGHT CRUDE TO THE \$18 TO \$20 DOLLAR PER BARREL RANGE IN THE NEXT FEW DAYS. DURING HIS PRESS CONFERENCE YAMANI STATED THAT OTHER MINISTERS WERE ALREADY ADVISED OF THE SAUDI ACTIONS AND THAT SAUDI ARABIA WAS ONLY FULFILLING ITS PREVIOUSLY WELL PUBLICIZED INTENTIONS IN THIS AREA. "WE HAVE CARRIED THE BURDEN WHICH BELONGED TO OTHER OPEC MEMBERS LONG ENOUGH" YAMANI STATED. "AND WHILE WE REGRET THE CARTELS INABILITY TO DEAL EFFECTIVELY WITH THE PRICE STRUCTURE AND PRODUCTION QUOTA ISSUES WE CAN NOT SACRIFICE MY COUNTRIES RIGHTFUL NEEDS TO FINANCE ITS OWN DEVELOPMENT EFFORTS". WESTERN ENERGY ANALYSTS HAVE NOTED THAT SAUDI ARABIA'S CURRENT ACCOUNT DEFICIT OF \$ 20 BILLION IS EXCEEDED ONLY BY THE UNITED STATES CURRENT ACCOUNT DEFICIT. INDEED, A SENIOR U.S. OIL COMPANY OFFICIAL WITH ONE OF THE FOUR MAJOR AMERICAN COMPANIES THAT FORMERLY WERE MEMBERS OF THE ARAMCO CONSORTIUM THAT MANAGED SAUDI OIL PRODUCTION STATED IN AN INTERVIEW AFTER THE YAMANI ANNOUNCEMENT THAT "THE ECONOMIC COSTS OF MAINTAINING LOWER OIL PRODUCTION HAD FINALLY EXCEEDED THE POLITICAL COSTS OF BREAKING WITH OTHER OPEC MEMBERS AND THE SAUDIS COULD NO LONGER AFFORD TO FINANCE THEIR MARRIAGE WITH OPEC AT THE EXPENSE OF INTERNAL PRESSURES."

THE YAMANI ANNOUNCEMENT WAS TIMED AFTER THE CLOSE OF THE EUROPEAN OIL MARKETS BUT INDUSTRY TRADERS EXPECTED IT TO HAVE SIGNIFICANT IMPACT ON THE U.S. OIL FUTURES MARKET. IMMEDIATE INDICATIONS WERE THAT THE FUTURES PRICE FOR DECEMBER OIL DELIVERY WOULD BE DROPPING TO ABOUT \$21 PER BARREL AS OF MID AFTERNOON IN NEW YORK. STEPHEN SMITH, CHIEF ENERGY ECONOMIST FOR DATA RESOURCES INC., STATED THAT ALTHOUGH THE DROP IN OIL PRICES WOULD HAVE SOME POSITIVE MACRO-ECONOMIC EFFECTS ON INTEREST RATES AND CORPORATE PROFITS IT WOULD ALSO CAUSE PROBLEMS FOR OIL COMPANIES AND BANK ENERGY PORTFOLIOS WHICH WERE PROBABLY PREDICATED ON OIL PRICES SOMEWHERE ABOVE \$20 DOLLARS PER BARREL.

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FOR IMMEDIATE RELEASE

THE LEGISLATIVE FINANCE COMMITTEE TODAY VOTED TO PREPARE ALL 74TH FISCAL BUDGET RECOMMENDATIONS IN "TURKEY UNITS" RATHER THAN U.S. DOLLARS. THE NEW MEASURE WOULD MEAN THAT ALL AGENCY BUDGETS WOULD BE EXPRESSED IN TERMS OF TURKEYS--IE, AN AGENCY BUDGET WHICH IN THE PAST WOULD HAVE BEEN \$10 MILLION WOULD NOW BE " 51282 TURKEYS". THE NEW MEASURE USES AN EXCHANGE RATE OF \$195 TO THE TURKEY (A MEASURE WHICH WAS ESTABLISHED AT THE LAST LFC HEARING ON ECONOMIC DEVELOPMENT & TOURISM DEPARTMENT'S EXPENDITURE PRACTICES).

SENATOR SMITTY EOFF, WHO LEAD THE MOTION FOR THE NEW MEASURE, PRAISED ITS ADOPTION BY THE LFC STATING, " IN ADDITION TO HONORING BENJAMIN FRANKLIN'S RESPECT FOR THE TURKEY (HE WANTED IT TO BECOME THE NATIONAL BIRD), THIS NEW UNIT WILL GIVE LEGISLATORS SOMETHING THEY CAN SINK THEIR TEETH INTO DURING BUDGET HEARINGS."

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DOCUMENT SUMMARY SCREEN

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108 Verano Loop
Santa Fe, N.M. 87505

April 1, 1985



Personnel Services Division
UNWRA
Vienna, Austria

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Dear 

In order to further pursue my application for employment with UNWRA and other international organizations, I intend to be in the Vienna area from April 24th to April 26th. I would hope that you or a member of your staff might be available for an interview on April 25th and, if its convenient, I will phone your office on April 24th to arrange an appointment.

Allow me to take this opportunity to once again thank you for your time and consideration and to reaffirm my interests in UNWRA.

Sincerely,

Edward L. Howard

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Crestion Date 01/01/80
Modification Date 01/01/80

Keystrokes last session 1315
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108 Verano Loop
Santa Fe, New Mexico
87505

December 20, 1984

Personnel Director
UNRWA for Palestinian Refugees in the Near East
Vienna International Center
P.O. Box 700
A 1400 Vienna, Austria

Dear Sir:

I am submitting my resume to you for employment consideration with UNRWA. My qualifications include a Master's Degree in finance plus 5 years of overseas experience in international development. More importantly, however, I believe that my desire to help the Palestinian refugees during this crucial timeperiod should be listed as my most important qualification.

I would like to come to Vienna and meet with the appropriate person on your staff to discuss my employment prospects with UNRWA in greater detail. I propose to be in Vienna on January 7, 1985 and would hope that date would be open for such a meeting. Please send me a short note to confirm the availability of someone from your staff for an interview and the time and location that is most suitable.

I appreciate your time and consideration in this matter.

Sincerely,

Edward L. Howard

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DOCUMENT SUMMARY SCREEN

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Addressee
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Comments :

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Total keystrokes 1755

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108 VERAND LOOP
SANTA FE, N.M.
87505
MAY 16, 1985

WORLD BANK
STAFFING DIVISION
PERSONNEL MANAGEMENT DEPARTMENT
1818 H STREET, N.W.
WASHINGTON, D.C. 20433

DEAR SIR:

I AM SUBMITTING MY RESUME IN RESPONSE TO YOUR RECENT ADVERTISEMENT FOR
A FINANCIAL ANALYST (WATER AND POWER UTILITIES, MUNICIPAL FINANCE) REF.
NO 54-UK6-5002.

THANK YOU FOR YOUR CONSIDERATION IN THIS MATTER.

SINCERELY,

EDWARD L. HOWARD

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Addressee
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Keystrokes last session 813
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108 Verano Loop
Santa Fe, N.M.
87505
July 23, 1985

[redacted]
International Employment
CARE
660 First Ave.
New York, N.Y. 10016

b6
b7c

Dear [redacted]

Enclosed please find my resume in response to your recent "Hotline" advertisement for consultants and project managers who have had experience in third world small enterprise development. As you can see, I have had approximately seven years of experience between my work as a Peace Corps Volunteer, research assistant for the Small Business Administration, and as an A.I.D. capital projects officer with responsibilities in the rural enterprises development area

I have reached a point in my professional development where I would be interested in returning to international development work at the project management level and therefore am interested in CARE'S need for someone with my qualifications. Please feel free to contact me directly either in writing or by telephone should you be interested in discussing my qualifications in greater detail.

Thank you for attention in this matter and I wish you the best of luck in finding the right people for these projects.

Sincerely,

Edward L. Howard

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Keystrokes last session 2
Total Keystrokes 1662

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108 Verano Loop
Santa Fe, NM
87505

Box D5210
Albuquerque Publishing Co.
717 Silver Ave. SW
Albuquerque, NM 87102

Sir:

I am enclosing my resume in response to your recent advertisement for a business consultant. I have an MBA in finance plus over 8 years of experience in both the public and private sectors.

I shall look forward to hearing from you.

Sincerely,

Ed Howard

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Addressee
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Total keystrokes 2545

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page 3

"How does it feel, freeznik bitch? This is the only way defective whores should be fucked."

As the torment became more and more unbearable, Angela delved further into her subconscious to experience sexual release with enough intensity to override the increasingly severe physical and psychological pain. No orifice was left untouched as she was forced to orally gratify Hoss while Elmer brutalized her with a whip and anally penetrated her in the image worthy of the Marquez de Sade at his best.

Angela's moral strength provided her with a psychological escape hatch, allowing her to endure the physical suffering until she finally passed out when Elmer used a candle to sear the flesh on sensitive parts of her body.

Now she was awake again with Elmer pulling hard on the ropes to assure her compliance for starting all over again. Suddenly, there was a knock at the door and both men looked up from their prey wondering who and what was wanted by the intruder.

"Paper, sir?", sounded a young man's voice from the other side of the door. Since both men had been drinking heavily that afternoon, neither realized that either no answer or a simple "no" would have sufficed. Rather Hoss, in his confused, drunken state, lunged at the door and in one swift motion, unlocked and opened it.

"Get the fuck out of here sonny before I kick your ass halfway back to Cuernellavaca!", yelled Hoss at the surprised figure of Toney Armijo in the doorway.

"Okay, okay!", retorted Toney as he started to leave for the next room. But in the short instant the door was opened, he realized he'd seen something terribly bizarre and wrong. Like a flash Toney stuck his foot in the doorway before Hoss could close it.

"Listen, you punk!", Hoss yelled as he reached for Toney, opening the door more in the process. Whereupon Toney grabbed Hoss's arm and pulled him forward using the drunken Texan's forward force to execute a judo flip he learned a couple of months ago in martial arts class. The flip worked even better than Toney planned, with Hoss sailing out over the balcony rail and crashing on the hood of one of the cars below in the parking lot out stone cold.

Meanwhile Elmer had somehow managed to locate his hunting knife and swiped at Toney with it before he moved completely away, tearing a gash in Toney's upper left arm. Although the pain was unbearable, Toney managed to grab an imitation brass desk lamp from a table and, with all his energy, smashed Elmer's left temple. The blow was decisive, as Elmer crashed over the table and onto the floor, unconscious.

"Oh, thank God, you've saved me!", cried Angela from her tangled mess on the bed. "They've had me here for hours and I thought no one would ever come" (author's note: except Hoss & Elmer).

Toney, dazed by the fight and feeling the burning pain in his arm, did not answer but only stared at Angela's naked and mistreated body on the bed. At that moment he realized that, although the girl on the bed had been brutalized, she nevertheless still possessed alluring qualities. He also realized that, for all the "Playboy" magazines he'd spent hours with in the privacy of his bedroom, this was his first total view of an attractive female body in the flesh.

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Author sasha
Addressee
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Total keystrokes 5400

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page 2

"Sure, just like all those kids who got food poisoning down in Carlsbad at their cafeteria", Toney wisecracked as he left for the schoolbus.

Toney's day at school seemed like any other. What made this a special day for Toney was not what was going on at Santa Fe High, but rather what was going on in room #205 of the Motel 6 on Cerrillos Road where two Texans by the name of Elmer Krapp and Hoss Piston were registered.

"Shutup you freeznik bitch!", growled Elmer as he tightened the ropes which bound the missing freeze organizer, Angela Von Haden, to the unmade bed in the dimly lit motel room.

"Please, not again" moaned Angela as she remorsefully reflected on the day's events which occurred after both of the beer-bellied Texan rednecks had brought her into the cheap smelling hotel room strewn with Pearl beer cans. At first, after tying her with horsehair ropes, Hoss brutally ravished her using his prick like a battering ram. Then Elmer took Hoss's place and Angela consciously tried then to experience arousal in order to transcend the physical pain. She remembered how she buried her consciousness in her cunt and allowed her womanhood to live its own life. She started to breathe in soft, feathery gasps as she felt the heat surging through her body. Her entrails felt as if they were melting, and as the pleasure built, the pain faded- even the anguish of her abduction. Her stuffed snatch seemed to suck on Elmer's prick as he burrowed brutally into her teeming depths with increasing speed and strength finally climaxing with grunts of animalistic manner.

Then, Angela reflected, on how her ordeal took a turn for the worse as she opened her eyes following her involvement with Elmer to find Hoss cracking a thick leather whip above her.

"Now, you peace-loving slut!", he exclaimed, "you will tell us what you know of your leadership's plans..." Angela refused to talk- not simply because she didn't have any information, but to defiantly display her moral impregnability. Consequently, she suffered through an unspeakable series of sadistic beatings which welted the resilient, supple flesh of her breasts and thighs, and probably left deep psychological scars, as well. Fortunately, Angela thought, she persevered and the beatings subsided.

Afterwards there was the frightening experience of Elmer returning to the room with a red hot branding iron and placing it just inches away from her rectum threatening to inflict permanent damage. But having psychologically prepared her for the worst, he merely jammed his index finger up her anus provoking ~~beterrifiededdeemmam? OOOOuuuuhlyyanaassst~~ virgin" he observed in what Angela thought was almost a moment of comic relief. He then proceeded to anally penetrate Angela and her juices started to flow as Elmer buried his cock to the hilt in her bung hole. He started to move in her, pulling his prick out to the tip and then slamming it in again, piercing the depths of her bowels. The burning pain in her asshole started to fade as his inward thrusts continued to jam her pussy against the rough wood of a board he had previously placed under her. Even her breasts, also pierced by splinters, began to swell and throb with the carnal excitement that surged through her. Her rectal walls stretched to accomodate Elmer's prick more readily. His strokes became less jerky as he lunged into her, insulting her verbally the entire time.

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DOCUMENT SUMMARY SCREEN

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DOCUMENT SUMMARY SCREEN

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Total keystrokes 6060

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ENCHANTED CITY TAIL (A MODERN WESTERN EPIC)

"Eat more eggs and less chili, hijo. It will give you too much gas at school", begged Toney Armijos mother. "And you better get going before your father gets up. He's not going to be in a good mood today!"

I wonder why? Toney sneered. Could it be the Mad Dog 20/20 wine mixed with the Schaefer's beer he drank last night? Last night and every night Toney thought. Ever since his dad lost his job when the Legislature cut the hell out of the Highway Department budget last year things had not gone well in the Armijo home just off Agua Fria Road in Santa Fe. Besides his dad's drinking, the family was still reeling from the turmoil generated by the death of his older brother, Alex, during a recent riot at the State Penn. Toney's younger sister, Teresa, who at 13 was only 2 years younger than Toney, was already in trouble at school for blowing dope in the girls bathroom and frequently got into fights with her mother over her rights to stay out with her biker boyfriend all night.

"Are you going to make altar boy practice after school today?", inquired Toney's mother in a voice that was more pleading than asking. She figured Toney was the last hope the family had, and wanted him to become a priest so that she would guaranteed a plot in the Our Lady of Guadalupe cemetery. Toney knew this but had long ago decided that the priesthood was not for him. Besides the same temptations plagued Toney which plagued any healthy, normal, horny fifteen year old boy.

"No, Mom, I promised Vidal I'd take his paper route for him today. Besides I could use the money even though "The New Mexican" doesn't pay until the end of the month", Toney answered while glancing down at the day's copy of the rival paper, "The Albuquerque Journal".

The paper's headline story covered a clash in Santa Fe the day before which occurred during a nuclear freeze march. It appeared that a group of John Birch Society members, angered by the recent shooting of an airliner by the Soviets, had traveled all the way from Lubbock, Texas to mount a counter demonstration. The rival groups trails' crossed on Paseo de Peralta Street near the State Capitol, and something between a riot and street brawl ensued. Approximately 40 persons were hospitalized after the Santa Fe police finally broke up the battle but since both groups were hoteled in various parts of the city, there had continued to be reports throughout the night of fights in the hotel bars and parking lots between the two groups. The article noted that the one of the freeze groups organizers, a wealthy and attractive girl by the name of Angela Von Haden from the Nob Hill district of San Francisco, had been reported as missing from her hotel room after the street clash. The article cited speculation by the freeze groups leader, Ima Fagg, that Miss Von Haden had been kidnapped by the John Birchers.

"Here's your lunch money. Now get going and promise me you won't spend it at Lotaburger on junkfood, but get a decent meal in the school cafeteria", scolded Toney's mother.

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10/29/85

This communication is classified "~~Secret~~" in its entirety.

[] LEGISLATIVE FINANCE COMMITTEE, Santa Fe, New Mexico, furnished the interviewing agent with the original termination letter signed by EDWARD LEE HOWARD as well as a copy of the letter that [] typewriter as this was the typewriter [] believed that HOWARD utilized. [] also furnished a sample of a typewritten page from a Brother typewriter from the LEGISLATIVE FINANCE COMMITTEE. A prepared receipt was signed and furnished to [] for the above mentioned items which were retained as evidence.

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~~Classified by G-3~~
~~Declassify on: OADR~~

~~SECRET~~

Investigation on 10/22/85 at Santa Fe, New Mexico File # Albuquerque 65A-590 - . . .
by SA [] DTB/jms Date dictated 10/29/85

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FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 2/5/86

[redacted] Legislative Finance Committee (LFC), State of New Mexico, Santa Fe, New Mexico furnished the attached register of participants and minutes of an LFC meeting held in Santa Fe, New Mexico on September 18, 19, 20, 1985. [redacted] explained that the initials "TRD" stand for the Taxation and Revenue Department, "BBER" is the Bureau of Business Economics Research at the University of New Mexico, "Montgomery & Andrews" is a law firm in Santa Fe, "LESC" is Legislative Education Study Committee, [redacted] the LFC and can be reached at telephone number [redacted] from Touche Ross Corporation.

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b7C

[redacted] advised that as far as he knows ED HOWARD dealt primarily with [redacted] from Citibank and [redacted] from the University of New Mexico.

~~Classified by G-3
Declassify on OADR~~

Interviewed on 1/31/86at Santa Fe, New MexicoFile # AC65A-590-6

by SA [redacted]

/dtb

Date dictated 2/5/86b6
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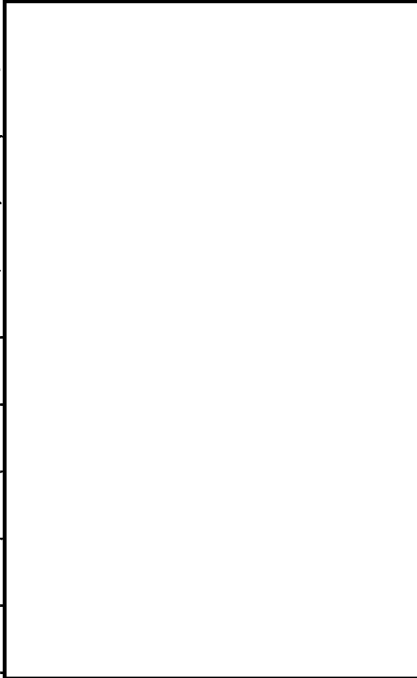
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Please return
to reporter / record.

Sept 20, Morning Session

Please provide the following for record purposes

Name



Agency / Organization
CITIZEN, S.F.

II

Sandoval City

ASSOCIATED PRESS, ST

LA 3, S.F.

TRD

TRD

UNM, BBER

Atokank, N.A.

Dep of Justice & Admin.

Assoc. of Counties

LFC Staff

LESC

Gutierrez OLM

Montgomery & Andrews

Molyneux & Archer
General

Risk Mgmt

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LEGISLATIVE FINANCE COMMITTEE MINUTES

Sept. 18, 19, 20, 1985

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NEW MEXICO LEGISLATIVE FINANCE COMMITTEE
SANTA FE, NEW MEXICO
September 18, 19 and 20, 1985
295th Meeting

M I N U T E S

The meeting was called to order by Chairman Jerry W. Sandel at 10:05 a.m., September 18, 1985, Room 337, Executive-Legislative Building, Santa Fe, New Mexico.

Members Present

Representative Jerry W. Sandel, Chairman
Senator Jack M. Morgan, Vice-Chairman
Senator Tom R. Benavidez
Senator Caleb J. Chandler
Senator Tito D. Chavez
Senator W. S. (Smitty) Eoff
Senator Harold W. Foreman
Representative Maurice Hobson
Representative James K. Otts
Representative Gary D. Robbins
Representative Henry "Kiki" Saavedra
Representative Louis Sanchez

Members Excused

None

Guest Legislators Present

Representative Ron Gentry
Representative Mary Thompson (morning session)

Staff Present

Executive Director Phil Baca
Analyst Donald L. Garcia
Analyst Dennis Hazlett
Analyst Pat Salazar
Analyst Jessica Schar

The committee met in executive session for staff briefings and thereafter convened in regular session at 11:40 a.m. to consider formal agenda items.

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1 Others Present. Representative Max Coll, Representative
2 Linn Tytler, J. D. Ray, Ruth White, James D. Roybal, Bud
3 Eckart, Jeanne Munding, Phil Sweeney, Shirley E. Greene,
4 Peter C. Garcia, Jocelyn James, Garfield J. Gutierrez,
5 and members of the press.
6

7
8 MISCELLANEOUS COMMITTEE BUSINESS

9 Guest Legislators

10
11 Chairman Sandel directed that accommodation be made for
12 two guest legislators at each LFC meeting, complete with
13 all materials made available to the committee.
14

15
16 EDUCATIONAL STATUS REPORT

17 Analyst Donald L. Garcia

18
19 Mr. Garcia referred the committee to various materials*/
20 in support of his third report on activities of the Leg-
21 islative Public School Reform Committee (LPSRC) and the
22 Legislative Education Study Committee (LESC), and the Educa-
23 tional Improvement Conference. He called attention to a
24 listing of 93 different educational issues being considered
25 by various committees which will be expanded upon identify-
26 ing fiscal and nonfiscal items, those requiring state or
27 local school board action, and those items requiring legis-
28 lative action.

29
30 Legislative Public School Reform Committee. This committee
31 met August 21-22, 1985 to receive several education reform
32 plans, including one personally presented by Governor Anaya.
33 Senators Victor Marshall and Christine Donisthorpe and Repre-
34 sentatives Richard Cheney, Hal Stratton, Max Coll and William
35 Camp also presented education reform packages. Barbra
36 Stanley of the Gallup-McKinley school board presented her
37 reform concerns as did representatives from the N.M. Federa-
38 tion of Teachers, the N.M. National Education Association,
39 and the Albuquerque Federation of Teachers. The committee
40

41
42 */ Materials consisted of 9/12/85 Garcia Memorandum entitled,
43 "Interim Education Committee Activities"; 9/13/85 Educational
44 Reform Issues Listing; 9/12/85 Howard Memorandum entitled,
45 "Severance Tax Permanent Fund Guarantee Program for Local
46 School Districts"; 7/30/85 E. F. Hutton letter to Howard;
47 2/14/85 Touche Ross letter to Representative Max Coll;
48 4/16/85 Wall Street Journal article in re Texas school bond
49 guarantees.
50

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1 took no action on measures considered, but simply received
2 the reports.

3
4 At the LPSRC meeting of September 4-5, 1985, it received
5 testimony from 11 school superintendents, 4 high school
6 principals, a local school board member and a state school
7 board member, addressing local school superintendents' con-
8 cerns. Topics discussed included teacher compensation,
9 recruitment, teacherage or teacher housing, performance-
10 based pay systems, sparsity factors and rural settings.

11
12
13 Legislative Education Study Committee. This committee met
14 August 27-28, 1985 in Farmington to receive testimony from
15 members of the educational community consisting of students,
16 teachers, counselors, four superintendents, and assistant
17 superintendents. Representatives Hal Stratton and Richard
18 Cheney once again presented their reform proposal to the
19 committee.

20
21 In separate presentations, LFC members Morgan and Sandel
22 provided the LESC with financial information, to which the
23 committee reacted with astonishment and bewilderment at
24 the severity of fiscal facts presented. Mr. Garcia noted
25 that a "lasting impression" was made concerning the State's
26 fiscal status and the LESC acknowledged the need to consider
27 State financial resources in developing education improve-
28 ment measures. Traditionally, Mr. Garcia reported, this
29 committee has not addressed fiscal concerns related to
30 its educational proposals.

31
32 Mr. Garcia reported that both committees requested periodic
33 fiscal status reports from the LFC to enable them to structure
34 realistic education proposals.

35
36
37 Educational Improvement Conference. Mr. Garcia next reported
38 on the Educational Improvement Conference held in Albuquerque
39 on August 29-30, 1985, which attracted participants from the
40 educational, professional and business communities within
41 and without New Mexico, as well as legislators and other
42 public officials. The conference encompassed five major
43 areas of discussion: content of reform, developing and im-
44 plementing reform, effects of reform, teacher training, cer-
45 tification and remuneration systems, and management of reform.
46 Major conclusions derived from the conference were: New Mexico
47 surpasses many other states in education improvement; New
48 Mexico must continue to improve its education system with
49 initiative coming from the education community; educational
50 reforms undertaken must impose planning requirements, a

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1 realistic time frame for implementation, and necessary
2 resources.

3 The Texas proposal dominated the conference, Mr. Garcia
4 reported, however, the general consensus was that Texas
5 has been forced into a position of playing "catch up" and
6 as a result encountered problems from too hasty a response
7 to education reform, i.e., changing student-teacher ratio
8 requirements without providing education facilities to
9 accommodate the new ratio, and imposing a "no pass-no play"
10 rule which could not be practically implemented.

11
12 Upon conclusion of Don Garcia's presentation, Representa-
13 tive Max Coll further elaborated on his proposal previously
14 presented to the LESC and LPSRC.

15
16 Severance Tax Bond Guarantee Proposal. Discussion next
17 occurred on Rep. Coll's proposal to amend the State Consti-
18 tution to allow the legislature to set criteria for pledging
19 portions of the Permanent Fund and the Severance Tax Perman-
20 ent Fund as collateral for payment of school district, educa-
21 tional institution and political subdivision bonds.

22
23 Rep. Coll reported that Texas has been using this method
24 of bond guarantee for school construction bonds since 1983
25 with great success and has even caught the attention of the
26 Wall Street Journal (see, Apr. 16, 1985 article furnished to
27 committee) in a published article about the multibillion
28 dollar collateral acting as a virtual guarantee of a triple-A
29 bond rating for school bonds in Texas.

30
31 Rep. Coll explained further that Texas amended its constitu-
32 tion in 1983 to allow Permanent School Fund use to guarantee
33 local school bonds. This action resulted not only in highly
34 marketable AAA ratings, but also in a one to two percent
35 savings on interest paid on those bonds. Rep. Coll described
36 the proposal as a form of "megabucks savings," and next
37 directed the committee's attention to page two of a Septem-
38 ber 12, 1985 memorandum from LFC Analyst Ed Howard for an
39 illustration of anticipated interest cost savings to New
40 Mexico if a similar bond rating were experienced over the
41 10- to 15- year life of a bond issue. He also noted that
42 page four of the Howard memorandum reflects bond ratings for
43 86 of New Mexico's 88 school districts, most of which are
44 now unrated and require payment of about two percentage
45 points more than if rated AAA.

46
47 Rep. Coll conceded that an element of risk does exist in an
48 undertaking such as that described, but emphasized that no
49 one can recall a school district in New Mexico ever defaulting

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1 on its bond obligations, and opined that with such a record
2 the risk is minimal, especially when compared with the bene-
3 fits. He reported further that only two school districts
4 out of some 1100 districts in Texas have defaulted on bond
5 obligations in the history of that state, and none under its
6 present method of funding and guarantee.

7
8 To safeguard against defaults, Rep. Coll suggested that a
9 first mortgage position be taken by the State on local property
10 taxes to recover any losses, or withhold funds from the dis-
11 trict's current school budgets.

12
13 Under the proposal, a similar constitutional amendment would
14 permit use of the Severance Tax Permanent Fund to guarantee
15 local government infrastructure bonds. Rep. Coll recalled
16 the numerous state and national engineering studies which
17 predict the need for extensive capital outlay expenditures
18 to meet infrastructure repair, replacement and improvement
19 requirements over the next few years. The proposal, he said,
20 would allow a portion of the Severance Tax Permanent Fund
21 corpus to be utilized to guarantee those bonds, probably
22 raise the bond rating to AAA, and provide a way for New Mexico
23 to meet its infrastructure needs. He called upon the committee
24 to seriously consider the proposals as a tax savings device
25 with minimum risk to either of the permanent funds.

26
27 Sen. Eoff said that the two percentage point difference cited
28 by Rep. Coll appeared to be rather high; Rep. Coll conceded
29 that it may be somewhat high and referred Sen. Eoff to
30 figures contained in the Howard memorandum for precise calcu-
31 lations. Rep. Coll confirmed to Sen. Eoff that the proposal
32 would allow 40 percent of the Severance Tax Permanent Fund
33 to be used for city and county guarantees and 40 percent of
34 the Permanent Fund to be used for institutional bond guarantees.
35 In the event of default, he added, security would come from
36 the corpus of each fund.

37
38 Sen. Eoff expressed his preference to reserve judgment on
39 the proposal until further study, but commented that it does
40 present a problem to the extent that it creates a potential
41 for a raid on the permanent fund. He cautioned that a 40
42 percent commitment for this purpose would encourage others
43 to tap portions of the permanent fund for other uses. Rep.
44 Coll said he viewed the proposal as a way to guarantee bonds
45 with a lower mil levy for general obligation bond taxpayers.
46 Sen. Eoff conceded the end result, but reiterated his warning
47 and added that the 40 percent would tie up the State's bonding
48 capacity to that extent and until such time as the bond ob-
49 ligations were satisfied. Rep. Coll took the position that
50 the fund would still be invested in the same manner with

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1 interest earned flowing over into the General Fund. He
2 said that it would not prevent further bonding at all, but
3 would provide for use of the corpus to make up any default.
4 Rep. Coll stressed that, in the Severance Tax Permanent Fund,
5 the corpus does not guarantee the State's current severance
6 tax bonds; only the income stream guarantees the bonds, half
7 of which may be used to cover all debt service. He added
8 that 50 percent of the income stream is "slack," which is
9 why state-guaranteed bonds are rated triple-A. Presently,
10 the 40 percent under discussion is not used to guarantee
11 anything, Rep. Coll stated.

12
13 In response to several questions from Rep. Hobson, Rep. Coll
14 explained that the income stream from oil and gas production
15 is used to retire state capital improvement bonds; severance
16 tax revenues from this production are split in two, with half
17 going to service all outstanding bonds and the other half re-
18 maining as slack and spilling over into the Severance Tax
19 Permanent Fund corpus.

20
21 In further response to a question from Rep. Hobson, Rep. Coll
22 advised that there are two permanent funds: an institutional
23 Permanent Fund and a Severance Tax Permanent Fund which de-
24 rives from the 50 percent-spill-over after severance tax
25 bonds are serviced. That portion comprising the Severance
26 Tax Permanent Fund, he stated, amounts to some billion dollars
27 plus right now and is known as the corpus of the fund. Under
28 the proposal, that corpus would be used to guarantee the bonds
29 issued by cities and counties. Under another segment of the
30 proposal, the corpus of the Permanent Fund would be used to
31 guarantee education institution bonds.

32
33 By way of illustration, Rep. Coll asked the committee to
34 assume that the University of New Mexioco was to build a new
35 stadium. The proposal would permit the university to dedicate
36 stadium revenues to pay off the bond issue and also guarantee
37 the bonds with the university's portion of the Permanent Fund.
38 The additional collateral would result in a higher bond
39 rating, he explained.

40
41 Further discussion followed on the particulars of rating
42 cities and counties for infrastructure improvements, with
43 the general consensus being that standards would have to
44 be set by statute to ensure against state guarantees for
45 unwarranted projects. Rep. Hobson initiated discussion
46 about infrastructure needs exceeding the approximately
47 \$400 million which would be available to guarantee local
48 bonds. Rep. Coll agreed that all needs could not be met,
49

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1 adding that "it would certainly take a lot of sting out of
2 it." Further questioning by Rep. Hobson disclosed that
3 collateral requirements would have to be addressed by legis-
4 lative action; however, Rep. Coll noted that Texas has pledged
5 its entire fund against school district debts.

6
7 General discussion followed regarding individual school
8 permanent funds and those institutions that would and would
9 not qualify under the proposal. Rep. Hobson requested that
10 Rep. Coll attempt to describe the several funds involved,
11 the extent to which they will be utilized under the proposal,
12 and the mechanics to be employed in using the funds as
13 collateral. It was generally agreed that such an undertaking
14 would make it better understood by the public and legislators
15 and provide a frame work within which to make informed deci-
16 sions. Rep. Coll agreed to provide the committee with such
17 a document as well as the screening criteria used by the
18 Texas Department of Education in qualifying local school
19 district applications for state-level guarantees. Rep. Hob-
20 son opined that a constitutional resolution would be pre-
21 dicated on an understanding of the whole funding picture
22 and urged Rep. Coll to provide this material.

23
24 Sen. Morgan addressed certain features of the legislation
25 proposed by Rep. Coll and observed that no more than 40 per-
26 cent of the Severance Tax Permanent Fund would be set aside
27 to guarantee infrastructure construction and replacement bonds
28 for local political subdivisions. He obtained from Rep. Coll
29 a general definition for infrastructure as roads, sewers,
30 bridges, water works, civic centers, and other major projects.

31
32 Sen. Morgan expressed concern that massive capital improve-
33 ment projects may be undertaken by local governments when
34 armed with the knowledge that the State would assume its
35 obligations in the event of default. Rep. Coll doubted this
36 would happen, especially if local governments were faced with
37 the prospect of the State's right to foreclose on its property.
38 Rep. Coll added that the legislation would have to be struc-
39 tured in such a way as to limit any potential abuse. He then
40 urged committee members to challenge each and every aspect
41 of the proposal so that options for abuse are virtually
42 eliminated.

43
44 Rep. Thompson commented that the 40 percent limitation on
45 state guarantees appeared to be arbitrary -- to which Rep. Coll
46 agreed -- and suggested that a lower percentage be set which
47 bears a direct relationship to established needs and is
48 based on reliable data. She opined that a lower and more
49 realistic percentage would result in greater confidence in
50 the proposal and increase its chances of success. Rep. Coll

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1 said the percentage figure was flexible, but reminded the
2 committee that the higher the percentage reserved for educa-
3 tion, the less chance there would be for guarantees for
4 less worthy projects, a prospect which received praises
5 of approval from Sen. Eoff.

6
7 In response to a query from Sen. Foreman, Rep. Coll stated
8 that the proposal could save "millions and millions of
9 dollars" to taxpayers. He suggested that school district
10 administrators be contacted to determine the exact difference
11 in interest payments between current general obligation
12 bonds and those rated triple-A in other localities.

13
14 Sen. Chandler expressed concern over the lack of definition
15 for the term "infrastructure" and recommended that it be
16 strictly defined to reduce chances for abuse. Rep. Coll
17 agreed that this must be addressed in any legislation pre-
18 sented.

19
20 Sen. Eoff inquired whether the triple-A rating would also
21 apply to smaller school districts with bond issues in the
22 range of \$300,000 to \$500,000, and Rep. Coll replied that,
23 based on the Texas' experience with its 1100 school districts,
24 all guaranteed bonds of whatever dimension would be rated
25 triple-A.

26
27 Rep. Hobson made it abundantly clear that the proposal
28 should in no way create a situation where brick and mortar
29 projects would proliferate and reminded the committee that
30 the State still does not know how many buildings it owns,
31 only that it is in excess of 750 buildings. He stated
32 further that the State is spending a tremendous amount of
33 money to maintain those buildings and surrounding grounds.
34 Rep. Coll advised that the State Constitution permits only
35 six percent of the property value of a school district to
36 be used for capital construction, and observed that this
37 is a low figure when compared to other states. He added
38 that this restriction, however, applies only to school
39 districts and not to institutions of higher learning. He
40 agreed with Rep. Hobson that this concern should be ad-
41 dressed in any legislation drawn.

42
43 Sen. Chandler recalled that any savings derived from re-
44 financing bonds was earmarked for state roads and parks
45 improvements in the capital outlay bill which emerged from
46 the last special session of the legislature. The designa-
47 tion, however, was vetoed by the governor because it wasn't
48 viewed as an appropriate function of the legislature to
49 earmark funds for that purpose. He asked Rep. Coll if the
50 governor still maintains that opinion or if he has changed
51
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1 his mind to allow an exception in this case. Rep. Coll stated
2 that he has not discussed the matter with the governor; and
3 noted that there is no veto power over a constitutional
4 amendment, only over a statute designed to handle the manner
5 in which the districts would be screened.

6
7 Rep. Coll concluded his presentation and thanked the commit-
8 tee for the opportunity to present it. Chairman Sandel
9 thanked Rep. Coll for his presentation.

10
11
12 EDUCATION COMMITTEE REQUESTS FOR FINANCIAL INFORMATION

13
14 Chairman Sandel requested that the LFC be kept informed of
15 revenue projections and suggested that Mr. Howard be made
16 available to appear before education reform committees to
17 keep them posted on financial information available to the
18 LFC.

19
20
21 JOINT LFC-EDUCATION COMMITTEES MEETING

22
23 Chairman Sandel announced that a joint meeting of the LFC,
24 LESC and LPSRC will be held in November, meaning that the
25 LFC membership must attend an extra day of meetings, since
26 its budget hearing calendar is too tight to accommodate
27 a joint meeting during the normal three-day period. Date
28 and time of the joint meeting will be announced later.

29
30 Chairman Sandel announced that the committee would be in
31 recess until approximately 1:30 p.m. at which time it would
32 hear briefings on higher education, and thereafter continue
33 with regularly scheduled agenda items.

34
35 The committee recessed at 12:25 p.m., September 18, 1985.

36
37
38 o o o o o

39
40 The committee reconvened in regular session at 1:30 p.m.,
41 with all members present.

42
43 Others Present. David Lane, Jill Wyatt, Steven Schiff, Robert
44 Aurbach, Stephen Slusher, Don Reinhart, Barbara J. Murray,
45 Imelda P. Aragon, Arthur L. Bustos, Sammy Quintana, Douglas
46 Driggers, Bob Aragon, Thomas Garde, David Eldon Douglas,
47 Thomas A. Rutledge, Bill Birdsall, Aug Narbutas, Bob Lee,
48 John Webster, Paula Maglione, David Staats, Lorene Wolfe,
49 Jane Cotter, Corliss Thalley, Ellen Pinnes, Bruce Weydemeyer,

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1 Sal Montano, Jack Callaghan, Elaine Lobato, Ruth White,
2 Peter C. Garcia and Alfredo Garcia.

3
4 HIGHER EDUCATION COMMITTEES' STATUS REPORT

5 Analyst Danny Earp

6
7 Informational updates were presented by Mr. Earp on meetings
8 held by the interim Higher Education Re-evaluation Committee
9 in Portales on September 16-17, 1985. Testimony was received
10 from four-year-university presidents on graduate programs.
11 Discussions were also held on remedial education, tuition
12 policy and other topics. Additional advisory members, which
13 include Eastern University President Bob Matheny and Public
14 Service Company President Jerry Geist, have joined the com-
15 mittee, and added a good, new dimension to discussions,
16 Mr. Earp reported.

17
18 The next meeting is scheduled for October 14-16 in Las Cruces
19 and agenda items include a review of the BEF and board of
20 regents roles, program duplication, and possible revisions to
21 funding formulas. Mr. Earp advised that it is not yet clear
22 what type of recommendations will be forthcoming from this
23 committee.

24
25 Mr. Earp also reported that LFC staff has undertaken a com-
26 parative salary study in the area of higher education in
27 conjunction with the BEF staff and various educational in-
28 stitutions. The focus of study is on compilation of compara-
29 tive salary data on New Mexico's four-year institutions and
30 similar institutions in other states. He expects the study
31 to be completed in time for consideration at the LFC budget
32 hearings. A written report was also submitted by Mr. Earp
33 on this subject.

34
35 FY 75 BUDGET REQUEST OVERVIEW

36 LFC Director Phil Baca

37
38 Director Baca provided the committee with an overview of
39 state agency budget requests for FY 75. The information
40 was submitted in writing and Mr. Baca reviewed contents of
41 the material with committee members, explaining the ten
42 general categories of agencies and the base and expansion
43 requests for each.

44
45 In the aggregate, the submittals reflect a 16.8 percent
46 increase in base budgets and a 26.5 percent increase with
47 expansion requests. The figures include only General Fund
48 amounts and do not address Federal Funds or Other State Funds
49 categories, Mr. Baca explained. He called attention to the
50 fact that several new facilities authorized for construction

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1 by the legislature will become operational in FY 75 and
2 that budget requests include operational funding for these
3 facilities.

4
5 Overall, the budgets represent approximately \$113 million
6 more than in this year's level of funding without considering
7 the education funding package. Chairman Sandel estimated
8 that the education package would be in the \$100 million area
9 for an overall increase of some \$213 million for FY 75.

10
11 Rep. Hobson called attention to the State's revenue status
12 saying that it was not expected to improve next year, and
13 asked Mr. Baca if he had any reason to believe that State
14 revenues would increase. Mr. Baca was unable to make such
15 a prediction and cited the recent forecasts about a major
16 drop in oil prices as a reason not to be optimistic about
17 increased revenues. If the reduction does occur, he advised
18 that it will affect the State's revenue picture.

19
20 DISTRICT ATTORNEY COMPENSATION PLAN

21 Messrs. Steven Schiff and Robert Aurbach

22
23 Bernalillo County District Attorney Steven Schiff, repre-
24 senting the D.A.'s Association, and Robert Aurbach, Director
25 of the Association of District Attorneys, appeared before
26 the committee support of a compensation plan prepared by
27 the Administrative Office of District Attorneys and which
28 would affect all district attorneys' offices.

29
30 DA Schiff described the problem faced by district attorneys
31 throughout the State as "unique" and told the committee they
32 have experienced a 40 percent turnover in the last two fiscal
33 years. In his own office, more than half of the attorneys
34 have been out of law school only two years or less. While
35 he professed a waiting list for young lawyers seeking em-
36 ployment, he readily admitted that the attraction was not
37 the low salary, but a desire to live in Albuquerque and get
38 some solid trial experience which his office can provide.
39 The problem arises, he explained, after an attorney has been
40 with him two years, has obtained trial experience, and is then
41 able to earn more in private practice or with other govern-
42 ment agencies. He reported that the DA's office is without
43 funds to compete, particularly when his attorneys carry a
44 responsible caseload, must be available 24 hours a day to
45 respond to certain cases, and expose themselves and their
46 families to a high degree of risk.

47
48 District Attorney Schiff said that the stress and pressure
49 levels for trial attorneys far exceeds that for other govern-
50 ment lawyers who work in an administrative setting, say,

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1 examining contracts. Whereas, trial work has long been
2 recognized as one of the highest pressure areas in the
3 practice of law. DA Schiff emphasized that the association
4 is not attempting to compete with salaries paid by private
5 law firms, which will always hold a lure for young attorneys,
6 but is merely trying to place itself in a position equal to
7 other governmental agencies. He provided the committee with
8 several examples of salary discrepancies among state agencies.
9 In one reported example, the court of appeals was able to
10 offer an entry level salary of \$21,600 while DA Schiff was
11 only able to offer \$19,800 to a 1984 law school graduate.
12 DA Schiff reported that the discrepancies become more pro-
13 nounced as one researches salaries for government lawyers.
14 He also reported that the AG's chief of prosecution earns
15 \$46,000 a year, while the head of his comparable violent
16 crimes division earns \$36,000 a year -- a \$10,000 salary gap
17 between two people performing approximately the same function.

18
19 DA Schiff then provided the committee with background on
20 how the compensation plan came about, i.e., that the legis-
21 lature expressed concern over the fact that historically
22 district attorneys' offices have operated without a pay plan
23 or official structure, and that it felt uneasy about providing
24 more dollars without some assurance of how it would be spent.

25
26 A handout depicting turnover rates in district attorneys'
27 offices throughout the state was presented to the committee
28 indicating an average loss of attorneys, over a two-year
29 period, of 44 percent.

30
31 Questioning by committee members followed with Sen. Eoff
32 asking if a shortage of graduating lawyers exists in New
33 Mexico, to which DA Schiff replied there is no shortage and
34 certainly no difficulty in recruiting. He restated the prob-
35 lem -- that the problem presents itself a couple of years
36 after the hiring when insufficient funds are available to
37 compete with other state agencies and offer comparable
38 salaries to experienced attorneys.

39
40 Several committee members criticized that portion of the plan
41 which would permit a chief deputy to earn up to \$57,500 a
42 year, an amount equivalent to salaries for State Supreme Court
43 Justices. Other areas of criticism were the lack of a cen-
44 tralized monitoring control to apply consistent personnel
45 hiring policies to all district attorneys' offices, exces-
46 sive variations in budget increases proposed by the 14
47 district attorneys, the lack of a phased-in approach to
48 implementation, lack of funding support for the administrative
49 office by some district attorneys, lack of a fringe benefit
50 package which addresses annual leave, sick leave, promotions,
51 evaluations, etc., and other policies. Several members expressed
52

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1 disappointment that none of the features contained in a
2 previously conducted \$50,000 study were incorporated into
3 the compensation plan. Chairman Sandel also expressed the
4 need for classified and exempt positions to be addressed in
5 the plan. Mr. Schiff acknowledged that the plan does not
6 impose classified positions, and opined that one of the ad-
7 vantages of the plan is its flexibility. Brief discussion
8 followed on the advantages and disadvantages of existing
9 personnel systems, and DA Schiff told the committee the
10 association's proposal would provide the legislature with
11 another type of personnel system which it could compare to
12 those already in place and possibly help to improve exist-
13 ing systems.

14
15 Chairman Sandel called specific attention to that portion of
16 the plan which would permit a district attorney to hire an
17 administrative secretary at an annual salary of \$33,700; he
18 advised DA Schiff that under the State Personnel System the
19 top salary for an administrative secretary is \$22,900. It was
20 explained that the administrative secretary position had been
21 misapplied and did not correspond to the duties assigned to
22 the position, which are much greater in complexity and responsi-
23 bility than under the State Personnel System. Mr. Aurbach
24 stated that a comparable position in other areas of state
25 government would be an office manager II or an administrative
26 assistant II. He told the committee that part of the difficulty
27 in properly identifying positions came from his lack of exper-
28 tise in the personnel area.

29
30 Considerable discussion followed on the budget increases
31 requested in the plan, with Chairman Sandel pointing out that
32 the average increase for the 325 FTEs was \$2,750 per employee,
33 or a 9.6 percent average increase over the base, and an 11.2
34 percent increase when considering last year's benefits.

35
36 DA Schiff acknowledged that more work must be done on the
37 plan and agreed to address concerns raised by the committee
38 before the next legislative session. Several times during his
39 presentation, DA Schiff urged the committee to adopt the plan
40 and give the district attorneys and the LFC analyst time to
41 work on implementation. He also agreed with several committee
42 members that budget requests contained in the plan are exces-
43 sive in certain areas and that they should not be funded as
44 presented.

45
46 Rep. Hobson requested information on the number of district
47 attorneys' offices participating in the funding of the admin-
48 istrative office, related levels of participation, amounts
49 collected by the administrative office in the 73rd and 74th
50 fiscal years, and anticipated amounts in the 75th fiscal year.

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1 Mr. Aurbach agreed to provide detailed information within
2 a week or two and said work had already commenced on the
3 project. He offered, however, that in FY 73 approximately
4 \$61,000 was collected and in FY 74 some \$82,500 has been
5 collected from the various DA's offices.

6
7 Another area addressed in the course of discussion was the
8 high risk assumed by assistant district attorneys. It was
9 pointed out that in Las Cruces District Attorney Driggers'
10 car and home were fire-bombed. As an assistant attorney
11 in the First Judicial District, Mr. Aurbach had his life
12 threatened about ten times, he said, was roughed up three
13 times in the courthouse or around it, and had every window
14 in his home shot out with one round coming within fourteen
15 inches of his wife's head. He also had his automobile inten-
16 tionally run off the road, totalling the car. Conversations
17 with other assistant district attorneys have disclosed this
18 is not an uncommon occurrence, Mr. Aurbach reported. DA Schiff
19 emphasized that the stress level for attorneys in prosecutorial
20 positions is great, that the job security is low, and that
21 the association is not asking for special treatment, but
22 merely that some action be taken to place them in a position
23 equal to other state agencies and the Attorney General's office.

24
25 Chairman Sandel thanked Messrs. Schiff and Aurbach for their
26 presentation. DA Schiff agreed to address the concerns noted
27 by the committee and modify the plan.

28
29 HUMAN SERVICES DEPARTMENT PROGRESS REPORT

30 Secretary Juan Vigil

31
32 Secretary Vigil appeared before the committee with several
33 staff members who he introduced: Manuel Tijerina, Deputy Secre-
34 tary; Division Director for Income Support, Jane Cotter;
35 Division Director for Administrative Services, Judy Pratt,
36 Acting Director for Social Services, Corliss Thalley, and her
37 assistant, Dr. Jack Callaghan; the Office of Financial Manage-
38 ment Chief, Aug Narbutas; legal counsel from the General
39 Counsel's Office, Ellen Pinnes; from the Medicaid Bureau,
40 Bruce Weydemeyer and Sal Montano; and Evaluation Chief,
41 Alfredo Garcia; and Administrative Assistant, Ruth Tangman.

42
43 Secretary Vigil began his presentation by reporting certain
44 areas of progress over the past fiscal year, i.e., the draw-
45 down in federal dollars under Sec. 4-E of P.L. 96-272 which
46 has improved by 40 percent; affirmative action against third
47 party liability claims in the Medicaid and Child Support En-
48 forcement programs; the Fraud and Abuse Unit's centralization
49 and initiation of fraud and abuse actions through the district

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attorneys' offices; and error rate reductions in several programs: down to 4.2 percent in AFDC programs with a target of 3.0 percent; 2.17 percent in Medicaid with an unspecified target; 9.0 percent in the Food Stamp program with a target of 10.0 percent, but still above the federal requirement of 5.0 percent.

Recurring expenditures were reduced by \$2.6 million in the 73rd FY and the department has eliminated 140 positions, Secretary Vigil reported. While this has been done at some expense to the elderly and others relying on client services agents to assist in daily living needs, Secretary Vigil said clients have not been adversely affected.

Secretary Vigil reported that at mid-year, eleven Income Support field offices were closed; a toll free telephone number has been made available to clients; delivery system changes have been made to accommodate eligibility changes more efficiently; and within the next four months the department will pilot test an integrated eligibility system for Income Support programs in Sandoval County which, he explained, is an automated system designed to provide improved case management. Also, new day care regulations have been adopted to monitor the number of children served and make it possible to provide services within approved budgets. Moreover, the Social Services Division is providing Secretary Vigil with monthly reports on expenditures and services. To date, the department is below its monthly expenditure allowance, however, Secretary Vigil noted that the college student data has not yet been accounted for, but he still expects to be within his approved budget. Day care slots have been equitably distributed statewide, and any redistribution of slots will be made only by Central Office in Santa Fe, he reported.

Secretary Vigil then addressed cost savings and program implementation which has occurred in the department.

Medicaid Program. Secretary Vigil stated that this program accounts for about 16 percent of the department's overall funding support; the FY 73 appropriation was \$130.5 million and he expects expenditures for that year to be \$149.6 million. He explained that expenditures are still being projected because of outstanding encumbrances.

In the current fiscal year, the department has a \$142.3 million appropriation and expenditures are projected at \$166.1 million. Secretary Vigil referred the committee to a handout consisting of (1) an overview of the Medicaid Program and the department's related program responsibilities; (2) Budget/Expenditures;

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1 (3) Cost Containment Efforts; (4) Efforts under Third Party
2 Liability; (5) Surveillance and Utilization Review; and
3 (6) Medicaid Administration.

4
5 Secretary Vigil made a point of informing the committee that
6 the \$145 million Medicaid budget flows directly into New
7 Mexico's economy, with two-thirds of that amount coming from
8 the federal government and one-third from the state. Pay-
9 ments for Medicaid, he stated, include over \$36 million in
10 support to other state institutions, primarily to the Health
11 and Environment Department and the University of New Mexico
12 Hospital. He also reminded the committee that the Human Serv-
13 ices Department is a single state agency responsible for im-
14 plementation and operation of the Medicaid Program and it is,
15 therefore, responsible for error rates experienced at hospi-
16 tals and other recipient state agencies.

17
18 Secretary Vigil reported that 39,000 persons are being served
19 under the Medicaid Program, with the elderly and disabled
20 population being the largest users and falling into two cate-
21 gories: those under Supplemental Security Income benefits and
22 those in nursing homes under the optional higher income standards.

23
24 Secretary Vigil explained that the Supplemental Security Income
25 program includes those who are over 65, blind individuals and
26 disabled individuals; that eligibility requirements are set
27 by the federal government and those who qualify are then en-
28 titled to the full range of benefits offered in New Mexico.
29 Under this part of the program, services are being provided
30 to 8,208 elderly persons, 512 blind individuals, and 16,013
31 disabled individuals (includes disabled children, neonatal,
32 and pediatric intensive care services). He added that neonatal
33 and pediatric services have been a high cost group under the
34 program.

35
36 The State also supports 2,600 elderly and disabled persons in
37 nursing homes under the program; the same eligibility require-
38 ments are imposed on this group, however, incomes up to \$834 per
39 month are permitted, but they must contribute a part of that
40 income toward services rendered. Secretary Vigil advised that
41 this group has grown substantially in the past five years due
42 to the increase in availability of nursing homes. Although
43 the majority of persons who are eligible for program services
44 are the AFDC group, the majority of the costs are for the
45 elderly and disabled.

46
47 Secretary Vigil then directed the committee's attention to
48 Table 3 of his handout which depicted levels of expenditure
49 for optional and mandatory services under the program, and
50

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1 called attention to the fact that, under the optional category,
2 intermediate care facilities and individual care facilities
3 for the mentally retarded account for 37 percent of the ex-
4 penditures. The two major categories of cost under the manda-
5 tory category are 29 percent for in-patient hospital care and
6 9 percent for physicians' services.
7

8 The Medicaid Program in New Mexico, Secretary Vigil opined, is
9 currently facing a critical budget shortage. Projections for
10 FY 74 are showing a potential deficit of \$24 million. Back-
11 ground information presented by Secretary Vigil disclosed that
12 over the past seven years Medicaid expenditures have increased
13 an average of 15.4 percent per year; corresponding budget in-
14 creases for the same period, however, have increased at an
15 average of 11.0 percent, with proportionately smaller increases
16 occurring in most recent years. He added that in FY 72 short-
17 ages were recovered from funds available through the Contingency
18 Fund and other department resources. The shortfall between
19 this year's \$130.5 million appropriation and \$149.0 million
20 expenditures will be recovered through the Contingency Fund,
21 monies received from a Recovery Program, a \$500,000 federal
22 windfall, and money recovered from Health & Environment Depart-
23 ment under nursing home regulations amount to \$400,000. For
24 the FY 75, Secretary Vigil expects a budget of \$166 million --
25 an increase of some \$40 million over the current appropriation.
26

27 Secretary Vigil next referred the committee to Table 4 which
28 reflects the rise in program costs by fiscal year, the average
29 monthly cost per patient, by category of assistance, and the
30 number of average monthly patients served.
31

32 Table 4-A was next discussed by Secretary Vigil to indicate
33 what is happening to Medicaid and the poor in New Mexico. It
34 shows that a large porportion of individuals are capable of
35 "spending down" from Medicare into the Medicaid category
36 either under the medically needy or Medicaid categories. He
37 also reported that a large number of individuals who are poor,
38 or are children in families with unemployed parents, or are
39 single adults under 65 with little or no income, do not receive
40 any services under the Medicaid program.
41

42 Medicaid Cost Containment. Secretary Vigil next addressed the
43 matter of what the department has done to institute some form
44 of cost containment. He reported that the department has in-
45 stituted 14 out of 15 recommendations made by a joint HED-HSD
46 Cost Containment Committee. While these were mainly "quick-
47 fix" measures, the department has since instituted more signi-
48 ficant cost containment measures, including a prospective reim-
49 bursement system for intermediate care and skilled nursing
50 care facilities in July of 1984.
51
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1 Secretary Vigil explained that a ceiling of 5 percent was
2 placed on hospital rate increases in January of 1985 and a
3 prospective reimbursement system started in July of 1985.
4 He reported, however, that most states which have implemented
5 a prospective reimbursement system have wound up in litigation,
6 with nursing home and state Medicaid providers challenging
7 the state's authority to impose the system. Secretary Vigil
8 said the department negotiated long and hard with the nursing
9 home community to bring about an understanding of the state's
10 economic plight, after which the group recognized that a cost
11 containment effort on their part was necessary. Hospitals
12 also voluntarily agreed to comply with the prospective reimbursement
13 system, which, Secretary Vigil, stated, resulted in
14 a substantial savings in the Medicaid program. He advised
15 that the program still has a lot of unknowns and, at this
16 point, was unable to predict the amount of savings to be derived
17 through the new system.

18
19 Third Party Liability: Secretary Vigil reported total third
20 party liability recoveries at \$1.6 million for the period
21 1984-85, with what he described as a "potential for even greater
22 recoveries." The lack of administrative personnel to pursue
23 recoveries at a faster rate is a problem to the department.

24
25 Surveillance and Utilization Review. Department attention is
26 being focused on over-utilization of services by recipients
27 and providers, Secretary Vigil reported. The department, however,
28 is only using 1.5 percent of its \$139 million Medical
29 Assistance Unit's budget for administration, and this, too,
30 has presented a problem in more actively pursuing this area
31 of recovery.

32
33 Food Stamp Program. Secretary Vigil reported that approximately
34 \$100 million in food coupons are received by New Mexico. He
35 emphasized that this is money which also flows directly into
36 New Mexico's economy, and noted that grocers handling food
37 stamps charge an administrative cost for doing so.

38
39 Services to Children/Elderly/At-Risk Families. A handout was
40 distributed to the committee showing the legal requirements
41 of the department in this area under the Children's Code,
42 the Adoptions Act, and federal laws which impose additional
43 program requirements.

44
45 Adult Services. Secretary Vigil explained the department's
46 policy position in handling adult services, noting that home
47 care services to adults are cost efficient because it reduces
48 the need for more expensive care in hospitals and nursing
49 homes. Adult protective services include various forms of
50 care to adults who are vulnerable to abuse or exploitation.

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1 Children's Services. Secretary Vigil reported that \$1,079,000
2 in services were provided to Children In Need of Supervision
3 (CHINS Program) in FY 74 under fourteen community-based contracts.
4 Several volunteer groups raised additional funds for this program,
5 however, Secretary Vigil did not know the amount of money raised
6 through this effort.

7
8 More than 2,000 youth have been served under the Shelter Care
9 Program through community-based contractors. These children
10 are in the 12-17 year old category and \$461,000 has been spent
11 in 40 shelters in fiscal year 74.

12
13 Child abuse and neglect cases increased from 1,462 to 2,068 in
14 the 18-month period from December of 1983 to June of 1985.
15 Secretary Vigil explained department policy and procedures for
16 handling these cases.

17
18 In the adoption services area, since July 1, 1985, the depart-
19 ment has placed 20 children in adoptive homes. To do so, Secre-
20 tary Vigil explained, requires a home study of the prospective
21 adoptive families, a post-adoptive placement service to assist
22 the family in adjusting, and, in situations where hard-to-place
23 children are adopted, subsidies are paid to the adoptive families.

24
25 Department Cash Flow/Deficit. Secretary Vigil reported that by
26 May of FY 74 the department will be in a deficit situation as
27 a result of overexpenditures in the Medicaid and child protective
28 services areas.

29
30 Senator Eoff inquired where the major problems exist in the
31 AFDC and Food Stamp programs, to which Secretary Vigil responded
32 that in terms of quality control the greatest areas of concern
33 have been Gallup and Farmington where the department has ex-
34 perience high error rates. The more experienced eligibility
35 workers in Gallup are now handling initial eligibility deter-
36 minations and the error rate has been reduced to zero based on
37 caseload samplings. In terms of client loads, the department
38 has experienced population shifts in high unemployment areas
39 such as Gallup and Silver City, and this has presented a need
40 for more eligibility workers.

41
42 Senator Eoff inquired whether the department was concentrating
43 on fraud and abuse cases in the Gallup and Silver City areas;
44 Secretary Vigil stated the department is doing so, and added
45 that another area of concern is unreported earned income. The
46 department is increasing investigations and resources in the
47 fraud and abuse area, however, Secretary Vigil was unable to
48 tell Sen. Eoff whether cottage industries and related unreported
49 income are abused "considerably," saying he does not know the
50 extent of abuse in this area. Sen. Eoff suggested that people

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1 be reassigned from areas where there is little abuse to areas
2 encountering heavy abuse. While that is a consideration,
3 Secretary Vigil said the department must also consider the
4 types of recoveries it can obtain from AFDC and Food Stamp
5 abuse. Considerable discussion followed regarding methods
6 used to determine when a recipient has outside income from
7 selling a craft, holding a second job, etc., however, the
8 department was not able to provide Sen. Eoff with figures
9 on the number of cases where action has been taken against
10 those committing fraud and abuse in departmental programs.
11 Secretary Vigil told Sen. Eoff that those found to be in-
12 eligible for program benefits are taken off the rolls, but
13 only until such time as they re-qualify for eligibility.
14 Secretary Vigil explained that AFDC and Food Stamp programs
15 are "entitlement" programs and, once the criteria for en-
16 rollment is met, the department must provide benefits.
17 Those committing substantial abuse are referred for prosecu-
18 tion.

19
20 Director Cotter agreed to provide Sen. Eoff with exact
21 figures on the number of people in San Juan and McKinley
22 counties who have been prosecuted in the last five years
23 for fraud and abuse.

24
25 Sen. Eoff pointed out to Secretary Vigil that between FY 56
26 and FY 74 costs have increased from \$13,695,000 to \$168,300,000
27 in the Medicaid program, and asked Secretary Vigil when the
28 legislature could expect to see some positive results from
29 the department's cost containment efforts. Results have
30 already taken place, Secretary Vigil said, through the nursing
31 home reimbursement system. Moreover, a cap has been placed
32 on capital expenditures for nursing homes which, he opined,
33 has discouraged providers from constructing additional nursing
34 home facilities, thereby reducing the availability of nursing
35 home beds in New Mexico. Secretary Vigil estimated total
36 cost containment efforts at \$3 million over the past year.
37 He also cited a number of uncontrollable factors which con-
38 tributed to the rise in costs cited by Sen. Eoff. Although
39 it would raise havoc in New Mexico, Secretary Vigil suggested
40 that physician, nursing home and provider reimbursement
41 levels could be rolled back and this would generate a tremendous
42 savings to the State.

43
44 Sen. Eoff asked Secretary Vigil for his views and recommenda-
45 tions if the federal government reduces its reimbursement
46 rates substantially. Secretary Vigil stated the State would
47 have to re-order its priorities and decide how money would be
48 spent to provide services to the aged, blind and disabled
49 categories; that services would have to be reduced or amounts
50 paid to health providers reduced.

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1 Sen. Eoff asked Secretary Vigil to explain a \$500,000 trans-
2 fer made between Health & Environment and Human Services
3 Departments in FY 73, and to explain further how that budget
4 level was going to be maintained. The department's financial
5 manager, Aug Narbutas, responded to the question, explaining
6 that under the new reimbursement rate for nursing home in-
7 stitutions, the yield to HED was a windfall of \$1.5 million
8 and the State needed only \$500,000 in General Fund to support
9 it, so the transaction resulted in a net profit to the State
10 of \$1 million.

11
12 In response to certain questions from Sen. Foreman, the
13 department advised that co-payments for Medicaid drugs were
14 eliminated in August of 1983. Sen. Foreman asked who had
15 taken this action and why, Mr. Weydemeyer stated that it
16 was based on a recommendation from then Secretary Goldberg;
17 that the proposed regulation was put out for public comment;
18 and thereafter was eliminated partly on the ground that the
19 money was coming from the AFDC program grant, in most cases,
20 and also from the SSI program. He added that the actual
21 contribution from the department was a little less than
22 \$200,000. Sen. Foreman then asked Secretary Vigil if he
23 has considered reinstituting co-payments on drugs as a means
24 of reducing Medicaid costs. Secretary Vigil said the matter
25 has not been reconsidered, but he has looked at the availability
26 of third party insurance to cover all the major costs and the
27 Medicaid portion to cover the difference.

28
29 Sen. Foreman asked Secretary Vigil if federal money would
30 continue to flow to New Mexico if state funds are cut.
31 Secretary Vigil stated that federal funds would not continue
32 without State match money. Secretary Vigil stated further
33 that if a supplemental appropriation is not received during
34 the legislative session, at that point the department will
35 have to examine very carefully the prospect of curtailing
36 the Medicaid program; a supplemental appropriation of \$8 to
37 \$10 million is required, otherwise, he will have to look to
38 the optional categories of the program for reductions. These
39 would include intermediate care facilities, institutions for
40 the mentally retarded, dental services, medical supplies, and
41 other options. Sen. Foreman suggested that personnel be cut
42 before program services, and Secretary Vigil responded that
43 140 positions have already been eliminated and the Medicaid
44 program is currently operating on 4.5 percent of the total
45 expenditure for administrative services. To cut administra-
46 tion further, he opined, could be detrimental to the program.

47
48 Sen. Benavidez asked Secretary Vigil how many directors and
49 acting directors have been assigned to the Social Services
50 Division since January of 1983. Secretary Vigil said the

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1 first director was Jerry Ortiz y Pino, the second director
2 resigned, and the department is now seeking a third replace-
3 ment. Sen. Benavidez then asked Secretary Vigil to rate
4 the division's morale, and he said "Morale in that division
5 is one to which we are paying particular concern." He added
6 that most social services workers are carrying caseloads
7 which exceed minimum requirements of 20 families or 35
8 children. He said, however, that improvements have been made
9 in the areas of training, provision of legal services to
10 social workers freeing them to do case work. Problems do
11 remain in the areas of management information systems and
12 reporting requirements. Sen. Benavidez then asked if the
13 consent decree had affected division employees. Secretary
14 Vigil said that child protective services workers had some
15 expectations from the federal consent decree, i.e., that
16 caseloads would be reduced, that reporting requirements would
17 initially have some influx, but would later curtail. At
18 present, Secretary Vigil stated, most social services workers
19 have misgivings about the reporting requirements imposed by
20 the consent decree, but still support the basic premise that
21 this is good operating social work and necessary to provide
22 good services to children.

23
24 Secretary Vigil added that he, too, is concerned about the
25 consent decree and has entered into negotiations with the Am-
26 erican Civil Liberties Union representatives for the plaintiffs
27 to see if the paper work can be reduced. The department, he
28 stated, is presently involved in a 16-month program where it
29 is re-evaluating the criteria and developing modifications
30 to the reporting requirements.

31
32 Sen. Benavidez asked Secretary Vigil to estimate the cost
33 to the State since the decree was entered, to which Ellen
34 Pinnes responded that costs and legal fees to the ACLU at-
35 torneys are slightly over \$400,000. Secretary Vigil added
36 that this figure does not include costs for monitoring the
37 citizen review boards or other direct services personnel, and
38 total expenditures have been around \$1.6 million, which in-
39 cludes additional social workers which have been approved
40 by the legislature. About 42 percent of the expenditures
41 have been for direct services personnel.

42
43 In further response to questions from Sen. Benavidez, Secre-
44 tary Vigil explained that the consent decree is an agreement
45 between ACLU and HSD to implement methods to improve the
46 deficiencies found by the court in terms of handling children
47 in department custody; it also imposes requirements on the
48 department to take some affirmative actions to correct the
49 problems.

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1 In response to a question from Sen. Morgan, Aug Narbutas
2 stated that the base budget increase in General Fund for
3 the department is 24 percent and 35 percent total (including
4 expansion). Sen. Morgan asked Secretary Vigil if he had
5 received instructions from the governor to be conservative
6 in budget proposals because of anticipated revenue reductions.
7 Secretary Vigil said that in terms of a revenue shortfall
8 no instructions were received, however, his department was
9 asked to be conservative in its request, but also realistic
10 in terms of entitlement programs. Sen. Morgan asked Secre-
11 tary Vigil if he thought a 24 percent increase was realistic,
12 and Secretary Vigil responded that \$40 million of that in-
13 crease is in Medicaid alone.

14
15 Questions from Sen. Morgan disclosed that the department
16 spent approximately \$400,000 last year on organ transplants,
17 however, Secretary Vigil advised that funds are expended
18 only in extreme cases. Sen. Morgan questioned whether the
19 State can afford this type of service at a time when its
20 revenue sources are threatened. Sen. Morgan asked Secretary
21 Vigil how an organ transplant can philosophically be justi-
22 fied under a social program. Secretary Vigil said the
23 decision to implement such a regulation was made by Secre-
24 tary Goldberg, and that, philosophically, there are people
25 who can continue to have a productive life if provided with
26 the necessary health care. Sen. Morgan agreed, but added
27 that he was talking about something more than a compassionate
28 human being would like to see happen; he then asked Secre-
29 tary Vigil what could really be accomplished by his department
30 with such an undertaking considering the high costs associated
31 with transplants. Secretary Vigil said it was a most difficult
32 question to answer, however, as a matter of state policy, he
33 would like to see the State treat it as a priority by pro-
34 viding individuals with the capability to become productive
35 and contributing members of society. He said that six patients
36 have been served and the majority have passed away, however,
37 the most recent recipient is alive. Sen. Morgan told Secre-
38 tary Vigil that his purpose in asking the question was to
39 evoke some thinking within the department in the event it
40 has to impose program reductions.
41 ...

42 Sen. Morgan then asked for details on the transplant cases
43 and Mr. Weydemeyer said three have been three heart transplants
44 and three liver transplants. The first heart transplant
45 recipient died; the second lived but moved out of the state;
46 one liver transplant recipient is healthy and employed with
47 the City of Albuquerque; another liver transplant recipient
48 is an 18-year old male who is living and works in Albuquerque;
49 and the third live transplant involved a child and was funded
50 last week. All transplant operations occurred out of state.
51 Total costs for the six operations over a period of a year
52

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1 and a half are \$275,000. Mr. Weydemeyer advised that a small
2 child at UNM Hospital in Albuquerque is awaiting a liver
3 transplant, but because of the difficulty in finding an ap-
4 propriate donor, the child may not survive before a donor is
5 located.

6
7 Sen. Morgan asked whether the legislature had been consulted
8 on the issue of funding transplant operations. Secretary
9 Vigil said he did not know if the matter was presented by his
10 predecessor, but he is fairly certain it was not. During the
11 past budget sessions, discussions have been held on the matter,
12 Secretary Vigil said. Sen. Morgan informed Secretary Vigil
13 that he was told that a member of HSD testified before a House
14 Appropriations subcommittee that the transplant program was
15 going to be terminated. Secretary Vigil had no knowledge of
16 such testimony before a legislative committee, and added that
17 the transplant program will continue until such time as it is
18 rescinded by the department.

19
20 Sen. Morgan conducted extensive questioning about the consent
21 decree, its terms, how it was initiated, negotiated, etc.
22 Secretary Vigil advised that Secretary Goldberg was the nego-
23 tiator for HSD, and it was precipitated through a lawsuit
24 entitled, "Josephine A. v. State of New Mexico," when Larry
25 Ingram was department secretary; Goldberg thought it best
26 to enter into the consent decree rather than risking greater
27 losses in the courtroom.

28
29 Sen. Morgan advised Secretary Vigil that recent developments
30 in the Corrections Department consent decree indicate that
31 the State committed beyond what is constitutionally required,
32 and asked Secretary Vigil if the same thing occurred with
33 the Human Services Department. Secretary Vigil opined that
34 the department did not go beyond constitutional requirements
35 and that his review of HSD documents indicate it was in
36 severe liability in terms of not having the necessary informa-
37 tion to defend itself or take remedial actions to correct
38 established deficiencies as far back as 1974 through 1976 --
39 deficiencies which were documented by several department
40 management consultants.

41
42 Sen. Morgan asked Secretary Vigil what would happen if the
43 State did not comply with the consent decree and decided to
44 litigate the matter. Secretary Vigil said that if the federal
45 court appointed a master to operate the department, he could
46 only speculate what would happen, but opined that it would
47 make for a "difficult situation" because there would be no
48 State control over allocation of resources to correct defi-
49 ciencies. Secretary Vigil added that his emphasis in run-
50 ning the department has been not to get to the position

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1 suggested by Sen. Morgan; he added that the department has
2 made significant attempts to improve reporting requirements
3 and conditions in the consent decree, with emphasis being
4 placed on providing children with quality services.

5
6 Sen. Chavez asked Secretary Vigil to provide the committee
7 with a concise list of requirements imposed on the depart-
8 ment by the consent decree; Secretary Vigil agreed to provide
9 the material.

10
11 Sen. Chavez asked whether department efforts have produced
12 tangible results and, if so, in what areas, to which Secre-
13 tary Vigil responded that the department now knows how many
14 children are in the system; within three months of assumed
15 custody of a child, HSD knows what the final outcome of
16 the child should be; HSD has been more effective in termina-
17 tion of parental rights where it is deemed best for the child.
18 He added that the quality of services to children has been
19 improved in every area, but the department is not yet to the
20 point where it has met all the good social work practices
21 necessary to children's programs. The department has also
22 made progress in counselling with parents who had been previous
23 abusers of children.

24
25 Sen. Chavez then asked whether the consent decree has been
26 cause for budget overruns or increased costs. Secretary
27 Vigil stated that the \$1.6 million previously mentioned has
28 been expended since implementation of the consent decree
29 either in hiring a consent decree monitor or hiring social
30 workers as authorized by the legislature, 42 percent of
31 which is in direct services.

32
33 Sen. Chavez asked Secretary Vigil to elaborate on a report
34 received by LFC that statistical data is no longer being
35 compiled on AFDC cases. Secretary Vigil said the only area
36 where a reduction in force has occurred is in the client
37 services agent category, adding that Secretary Goldberg made
38 that decision after much study. Those positions were con-
39 verted to eligibility workers, but this did not produce a
40 negative effect on Income Support Division's program work.
41 Positions have been taken from the Administrative Services
42 Division and the Secretary's Office to satisfy consent decree
43 requirements, but Secretary Vigil said this has not been
44 done in AFDC, Food Stamps or other client programs. He
45 denied that statistics are no longer being compiled and
46 said the unit handling AFDC statistics is operational.

47
48 In response to a question from Sen. Eoff, Secretary Vigil
49 said that physician fees have been updated from 1977 to
50 1978 in the base budget for FY 75 to just under \$1.7 million.

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1 Sen. Eoff asked for figures on the average time it takes
2 to adjudicate a case for the department -- both pre- and
3 post-consent decree. Secretary Vigil and his staff were
4 unable to provide this information to Sen. Eoff. In response
5 to a further question from Sen. Eoff, Secretary Vigil said
6 the consent decree has not hampered the department's ability
7 to remove children from life-threatening abuse situations.

8
9 Sen. Eoff then asked Secretary Vigil if he would sign the
10 consent decree in its present form if presented to him today;
11 the Secretary said he would not sign it at this time be-
12 cause there are many issues he believes could have been
13 better dealt with in court, adding the caveat that after
14 two years of progress his opinion is probably different
15 than it would have been at the end of January, 1983.

16
17 Sen. Eoff asked the Secretary if department records indicate
18 to him that the then secretary took special measures in nego-
19 tiating the best settlement possible for the State of New
20 Mexico. Secretary Vigil said he has not seen anything in
21 the record to indicate any special resources were used to
22 determine what options the State had available, adding
23 that Secretary Goldberg would be the appropriate person to
24 respond to the question. Sen. Eoff commented that he would
25 probably have the same difficulty getting a straight answer
26 from Secretary Goldberg as he did two years ago. Sen. Eoff
27 said it was almost incomprehensible that with the large staff
28 available in the Attorney General's office that a secretary
29 of any department would go out and negotiate a matter that
30 had the potential to cost the state millions of dollars
31 without the benefit of legal counsel. He added that because
32 of the seeming popularity among state agencies to enter into
33 consent decrees, he suggested that legislative action be
34 taken to prohibit such agreements without prior legislative
35 review.

36
37 A question from Sen. Eoff seeking to determine if the State
38 would be in a better financial position if the consent decree
39 is modified brought an affirmative response from Secretary
40 Vigil, who added that modification would also result in
41 better services to New Mexico's children.

42
43 Considerable discussion led by Chairman Sandel was held re-
44 garding statewide citizen review boards and their supportive
45 budget which currently stands at \$315,000 (FY 74), an increase
46 of \$28,000 over the previous year's budget of \$287,000, and
47 some \$115,000 more than its initial budget (post-consent decree)
48 of about \$200,000. HSD staff members Callaghan and Garcia
49 responded to numerous questions about the CRBs informing the
50 committee that the request for proposal process was the

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1 method used to arrive at the original budget request, which
2 thereafter received considerable legislative screening as
3 did the proposed staff and board composition and qualification.
4 Initiattly, eight boards were created and the number has now
5 increased to seventeen boards, some of which resulted through
6 passage of HB 307 in the last regular session where a state-
7 wide system of review was mandated for children in substitute
8 care.

9
10 Mr. Garcia also informed the LFC that the Children's Code
11 imposes additional administrative review requirements on
12 the department which, before the consent decree, were conducted
13 internally. All CRB members, staff excluded, are volunteers
14 whose only form of remuneration is occasional meal and lodging
15 reimbursement, and they review from 8 to 50 cases a day,
16 meeting an average of twice monthly, or three times in the
17 case of Bernalillo County. Mr. Garcia told the LFC that
18 the CRBs were voluntarily created by the department prior
19 to the consent decree and after they proved successful in
20 demonstration projects conducted in Curry, Quay and Roose-
21 velt counties.

22
23 A major point of negotiation in the consent decree modification,
24 Mr. Garcia said, involves the CRB monitoring system, because
25 the department is most concerned that dollars spent produce
26 a high-quality of review over cases coming before the CRBs
27 statewide.

28
29 Chairman Sandel conducted further questioning regarding HSD's
30 lack of direct policy control over CRB budget formulation and
31 opined that HSD had far more control over money spent for
32 review compliance before the consent decree, adding that budget
33 control was relinquished when responsibility was transferred
34 to an organization outside the departmental structure and
35 control. Secretary Vigil noted that the department does monitor
36 CRBs for contract compliance, which includes ongoing budget
37 review, and likened the relationship to that of LFC with the
38 HSD over its budget.

39
40 Chairman Sandel acknowledged the legal mandate for HSD to in-
41 vestigate all child abuse reports, and then pursued a rather
42 lengthy line of inquiry into the number of frivolous, illegiti-
43 mate or false child abuse calls received by HSD. Secretary
44 Vigil and staff were unable to provide figures on the extent
45 of any such calls or the manhours spent responding to them,
46 but he did say social workers have not reported it as a
47 frequent problem or topic of major concern. Further question-
48 ing disclosed that some 15,000 child abuse calls are received
49 annually; approximately 50 percent are substantiated; 2,000
50 have resulted in assumption of custody by the department;

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1 numerous others have fallen into a category of neglect which
2 were best handled with improved parental skill counselling
3 to correct a form of potential threat to the child.

4
5 Chairman Sandel's continued questioning focused on the 50
6 percent or 7,500 nonsubstantiated "abuse" cases and the
7 13,000 out of 15,000 referrals not in the department's custody.
8 He strongly recommended that the department conduct a study
9 of the other 7,500 referrals and initiate criminal action
10 against those making frivolous or false calls. Chairman
11 Sandel opined that a little publicity about violators being
12 prosecuted would serve as a deterrent to others and result
13 in a cost-savings to the department by freeing social workers
14 to direct their time and resources to legitimate child abuse
15 cases.

16
17 Secretary Vigil expressed a keen willingness to have prank
18 callers and those initiating false reports prosecuted, but
19 said it is very difficult to identify these people. He then
20 provided the committee with an illustration from an actual
21 case where it was impossible to identify the individual,
22 other than to establish that it came from someone who had
23 already established a well-known pattern within the depart-
24 ment.

25
26 ISD II System Implementation. In response to an inquiry from
27 Chairman Sandel, Secretary Vigil provided a status report on
28 the system and related positions which will be eliminated through
29 system implementation. Federal program approval has been
30 granted, pilot testing will begin in Sandoval County the latter
31 part of this fiscal year, and full implementation is expected
32 by January, 1987. The Income Support Division's study to
33 identify possible positions for elimination and population
34 shifts is underway, however, any predictions as to categories
35 and numbers would be premature at this time, with the excep-
36 tion of entry clerk category which Secretary Vigil said has
37 been discussed with LFC Analyst Hazlett.

38
39 Through continued questioning, Chairman Sandel sought to
40 identify areas of savings which will accrue to the State from
41 the automated system, particularly how its proposed budget
42 increase from \$1.7 to \$4.4 million will be recouped by the
43 State. Secretary Vigil provided no figures on anticipated
44 savings, but does expect system costs to be recouped, with
45 major savings coming from reduced error rates, which presently
46 pose a threat to the State for a 100 percent return of funds
47 to the federal government from state dollars. Secretary Vigil
48 also mentioned that HSD, along with other agencies, anticipates
49 an increase in telephone costs which will add to support costs
50 for the automated system.

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1 Community Services Block Grant Public Hearing. Secretary
2 Vigil advised the committee of the need for a legislative
3 public hearing on the proposed use and distribution of ap-
4 proximately \$2,035,838 in Community Block Grants -- a function
5 previously performed by the Legislative Human Services,
6 Health & Aging Committee.

7
8 Because of lack of familiarity with the process and specifics
9 of the proposal, upon motion by Sen. Morgan, duly seconded
10 by Sen. Eoff, the public hearing was postponed until the
11 November LFC meeting when it considers HSD's budget. Prior
12 to the hearing Secretary Vigil is to provide LFC members with
13 a county-by-county breakdown on types of services proposed,
14 related budget and providers offering services.

15
16 Chairman Sandel apologized to Secretary Vigil for the post-
17 ponement and directed that legal notice be given on the public
18 hearing, and that it be formally entered on the LFC's November
19 agenda.

20
21 The committee stood in recess at 5:25 p.m. and Chairman Sandel
22 announced it would reconvene to consider other agenda items
23 at 8:30 a.m., on September 19, 1985.

24
25 o o o o o
26

27
28
29 Chairman Sandel called the meeting to order at 8:45 a.m.,
30 September 19, 1985, with all members present, except Sen. Morgan.

31
32 The committee met in executive session for staff briefings
33 and thereafter convened in regular session at 10:15 a.m.

34
35 Others Present. John Gasparich, Lilliemae G. Ortiz, Renee
36 Borrego, Donna Smith, Charles Turpen, David Abbey, Nima Ward,
37 Ruth White, Carolyn Lindberg, Janet Peacock, James Nunns,
38 Lee Reynis, Bob Swerdling, John Thorpe, Brad Eckart, John
39 Webster, David Staats, Delores Thomas, Bill Feather, Sylvia
40 Lopez, Carol Leach, Mike Francke, Tom Devlin, Margo Steadman,
41 Charles Roybal, Larry Martinez, Raquel Lopez, R. E. Coughman,
42 Robert Strumor, Chris Perry, John Eichelmann, III, Maurice
43 Trimmer and Peter Hanagan.

44
45 QUARTERLY REVENUE REPORT

46 Secretary Fisher, Taxation & Revenue Department
47 Secretary Lopez, Department of Finance and Administration

48
49 Secretary Lopez announced that he would be providing informa-
50 tion on the State's quarterly revenue report, the energy
51 sector outlook, and an update on the status of the State's
52

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1 two bond sales. Secretary Fisher will then provide an update
2 on the Ranchers and Cotton cases.

3
4 Secretary Lopez advised that, as reported in the June General
5 Fund Report, recurring revenue growth of \$109.4 million
6 brought 73rd fiscal year revenues to \$1.30 billion. Total
7 GF revenues for the fiscal year were \$1.33 billion, 5.8 percent
8 greater than the previous fiscal year.

9
10 Eighteen month revenue estimates underestimated actual re-
11 cepts by only 1.2 percent. For the second consecutive year
12 the six-month estimate was off by less than one-half percent.
13 Secretary Lopez provided the committee with a written report
14 on each revenue category (see, pp. 2, 3 and 4 of the June
15 General Fund Report).

16
17 Secretary Lopez reported that beginning balances for both
18 the Unappropriated Surplus and the State Support Reserve
19 were far lower beginning the 74th fiscal year than they
20 were for the 73rd. The Unappropriated Surplus was drawn
21 down by more than 60 percent, from \$55.2 million to \$21.9
22 million; the Operating Reserve was untouched last fiscal
23 year; and the State Support Reserve was drawn down \$6.1 million
24 to \$8 million due to delays in transfers of federal monies
25 to local school districts.

26
27 He referred the committee to Section E of a table found at
28 page 6 of the June report, which indicated beginning balances
29 as a percentage of recurring appropriations have dropped
30 from 14 percent in the 72nd fiscal year to 8 percent for the
31 74th. Although 8 percent compares quite favorably to the
32 national average, there remains some question as to its
33 adequacy in light of dependency on weak severance and
34 interest revenues, and the contingent liabilities the State
35 still faces.

36
37 74th Fiscal Year Revenues (Interest Rate & Energy Weakness).
38 Secretary Lopez reported that any revenue growth in 74th
39 over 73rd fiscal year is expected to be very modest. The
40 combination of lower interest rates, weakness in energy
41 markets and softness in the general economy does not bode
42 well for FY 74 revenues. In preparing the 18-month esti-
43 mate for the 74th fiscal year, DFA had assumed interest
44 rates would be 9.5 percent. Eleven months later, rates
45 are a full two percentage points below that level. Short-
46 term rates for the past six months have hovered in the
47 7-8 percent range. Slower than expected economic growth
48 and lower energy prices are two major reasons for the
49 lower rates.

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1 For the first two months of this fiscal year, DFA's expecta-
2 tions of oil prices in the \$27 range have been correct,
3 Secretary Lopez reported. However, the downside risks are
4 even greater now than in the past; DFA has been monitoring
5 the developments in this sector very closely and will continue
6 to do so. He referred the committee to a graph which showed
7 that prices through September, which drive revenues through
8 November, have stayed in the \$27 range, adding that present
9 spot prices still remain strong. Taken together, this indicates
10 that a price of about \$27 for the first half of the fiscal
11 year will mitigate price declines in the second half, which
12 has led DFA to expect that downward revision of average oil
13 prices for the entire 74th fiscal year will not be substantial.
14 Because of fluxuating information, however, Secretary Lopez
15 said the department will not venture an estimate for the
16 75th fiscal year until next month when it is forced to do so.

17
18 Secretary Lopez continued with his report saying that gas
19 production and prices are even less certain, noting that
20 in response to a deregulated market, gas prices and volumes
21 have dropped in the early months of the fiscal year. Al-
22 though he expects to regain market share in the long term,
23 Secretary Lopez said production over the 74th fiscal year
24 will most likely fall short of the 18-month estimate. The
25 price of \$2.82/mcf assumed in the 18-month estimate and
26 which reflected only a small drop in interstate prices and
27 a July 1 "fly-up" of intrastate prices, he said, is cer-
28 tainly high, noting that the first five calendar months of
29 1985 saw prices at the \$2.70 level and further declines are
30 expected.

31
32 On October 9th, Secretary Lopez said he would present to
33 the committee preliminary range estimates for the 75th fiscal
34 year and a preliminary update of point estimates for 74th
35 fiscal year revenues. New developments in the energy sector
36 will be reflected in those estimates.

37
38 Status of Bond Issues. Secretary Lopez reported that the
39 refunding issue was authorized by the State Board of Finance
40 and the bonds were sold as of August 23rd with a scheduled
41 closing date of October 1st. The State Auditor, he said, has
42 had an opportunity to review all aspects of the issue, and
43 it is the department's understanding that he has no further
44 legal questions. Also, the State Treasurer, after close
45 scrutiny, has agreed there should be ample revenues available
46 to finance the new repayment scheme and escrow account.
47 Savings over the next 10 years will total in the millions
48 of dollars as a result of the Board's actions, Secretary Lopez
49 opined.

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1 A new money issue of \$115 million was approved by the Board
2 of Finance on August 27th; bids will be received September 24th
3 and closing is expected November 5th.

4 Ranchers Claims and Payments (Phelps Dodge). Secretary Fisher
5 reported that the Ranchers' issue is no longer involved,
6 but that Phelps Dodge is the last case decided which the
7 State is now compelled to pay. A document entitled,
8 "Ranchers Claims and Payments" was distributed to the committee
9 and Ms. Fisher explained that the payments have been broken
10 down between those that have been paid, \$2.273 million, and
11 represent the claims with whom the State has settled for
12 approximately 17 cents on the dollar, and a few from this
13 category are yet to be paid.
14

15 As of September 18th, a few more claims have been settled,
16 as has the Phelps Dodge claim, and one or two other claims
17 that were pending through that court decision.
18

19 The \$11.9 million figure under the "total" column, Ms. Fisher
20 explained, are those she estimates are likely to be paid this
21 fiscal year, however, this figure does not include accrued
22 interest, but she noted that these claims have not been per-
23 fected. Two very large claims make up a substantial portion
24 of this amount. She explained that when a claim is not per-
25 fected it means that it has not been reviewed and the company
26 has not provided the State with sufficient support to prove
27 they are valid claims; and she inclined to believe that the
28 companies involved may be on the high side in their claim.
29

30 Secretary Fisher estimated that for FY 74 approximately
31 \$15.6 million is likely to be paid out for claims.
32

33 It is unlikely that another pending claim in the amount of
34 \$9.5 million will be paid in FY 74 because the cases repre-
35 senting this amount still have some outstanding issues which
36 remain to be resolved through litigation, and she opined that
37 the cases appear to be in favor of the State on related issues.
38

39 Cotton Case. Secretary Fisher reported that she mentions
40 this case to the committee because it could have a substantial
41 impact on the State; the case is scheduled for hearing in
42 November. A number of cases have been filed on this same
43 issue, however, Cotton is the lead case, Ms. Fisher explained,
44 and it essentially involves the issue of whether or not the
45 State has the authority to tax on Indian land. While the
46 issue is quite simple, the impact could be great on the State,
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1 The Cotton case has to do with oil and gas taxes. The
2 State has held some \$20 million aside in a Protested Payments
3 Fund which will be paid out if the State loses. Ms. Fisher
4 explained that the \$20 million has never been pulled into
5 revenues, so if the State should win the case, it would
6 have a \$20 million windfall. She said it is quite unlikely
7 that either of these occurrences will happen in the
8 74th fiscal year. The first round of hearings starts in
9 November and, since it is likely to be a Supreme Court issue,
10 the matter will not be finally decided during the 74th fiscal
11 year. Ms. Fisher estimated that in the course of litigation
12 the State will most likely incur another \$10 million worth
13 of liability.

14
15 If the State should lose the case, Ms. Fisher advised that
16 it would not only lose the payments it has held, but it would
17 experience an ongoing revenue loss of approximately \$10 million,
18 which accounts for some \$4 million to the General Fund and
19 \$6 million to the Severance Tax Fund. However, she cautioned
20 that there are certainly some related issues if the State
21 should lose the case, i.e., coal producers would be in to
22 litigate the issue again, gross receipts and compensation
23 taxes would be challenged, and other taxes as well.

24
25 In the coal area, the State would be faced with substantial
26 losses, which Secretary Fisher estimated could go as high
27 as \$30 million, as well as an ongoing revenue loss of approxi-
28 mately \$11 million.

29
30 Federal Tax Reform. Secretary Fisher reported that the Taxa-
31 tion and Revenue Department has adopted a "wait and see"
32 attitude on the federal tax reform package, saying any com-
33 bination of decisions could be made and it is, therefore,
34 impossible to predict what package, if any, will emerge.
35 The likelihood of anything happening this year, she opined,
36 is remote, with the House committed to getting a package out
37 and the Senate not committed to doing so.

38
39 The tax reform measure receiving most discussion is the
40 minimum corporate tax, which would have no impact on the
41 State whatsoever, Secretary Fisher stated. What is known
42 as the "Reagan I Package" has a very broad range of impact
43 which could result in anything from a minus \$10 million
44 to a positive \$20 million, depending on the phase-in schedules
45 utilized.

46
47 Another issue which will be decided soon is the fate of the
48 cigarette tax. At present, the federal cigarette tax is
49 scheduled to drop 8 cents on October 1, but congressional
50

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committees are in the process of discussing an extension of that assessment. An extension would affect the "piggy-back" tax passed by the last legislature directing that, if the federal government drops the tax, the state will pick it up. This would produce some \$6.5 million in revenues to New Mexico for the period October 1 to the end of the fiscal year, an amount which is not included in the revenue estimates at this point.

Tax Amnesty Program. Secretary Fisher reported that as of last Friday, the State has collected returns totaling a little over \$2.1 million. Of that amount almost \$1.9 million has been paid and the department is assuming that those people who have taken advantage of the amnesty and made only partial payments will complete their payments by November 13th. There are two months left in the program.

The department has signed up 296 new taxpayers, which Secretary Fisher explained, was part of the goal, to find people who were not registered with the department. Over 5,100 returns have been received by the department. The success rate has been phenomenal, she said, and predominant payments have been for gross receipts taxes. What did come as a surprise to the department was the receipt of three substantial estate tax returns, with the largest being \$75,000, for a total of \$112,000 in estate taxes. The department is now beginning to see some corporate tax returns come in, along with a small amount of personal income tax. The largest check received was \$319,000 and the smallest check received was \$2.85 which came in from the Las Cruces area.

Secretary Fisher described the program as very successful and said publicity will continue with posters being placed in financial institutions and the Motor Vehicle field offices, and billboards will be erected this week.

Chairman Sandel commended Dr. Lopez and Ms. Fisher for the accuracy of the 73rd fiscal year revenue projections. Chairman Sandel invited both department secretaries and their staffs to an 11:00 a.m. meeting the following day to hear the committee's economic advisors' reports. He then opened the meeting to questions from committee members.

Concerning the bond refunding matter, Rep. Otts asked Dr. Lopez if the State made more money by delaying the action, to which Dr. Lopez replied that in gross dollars the State will realize more dollars. Unfortunately, however, in value of dollars over the 10-year period of the bonds, it will be slightly less.

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1 Rep. Otts asked Dr. Lopez if he agreed with recent news
2 articles which reported that the State could have made even
3 more money if it had simply invested those same dollars
4 rather than waiting until now to institute the refinancing
5 measure. Dr. Lopez explained that this makes sense in
6 theory, however, in practice, it will not work because
7 it cannot be accomplished without a refunding process
8 to restructure the debt and permit interest to be earned
9 under the terms of the arbitrage law,

10
11
12 Rep. Hobson asked Secretary Fisher if she had any informa-
13 tion on whether the federal government was considering a
14 tax amnesty program. She replied that several congressman
15 did make such a proposal, but the Treasury Department re-
16 acted very adversely to it and the idea has drifted away.
17 The Internal Revenue Service is of the opinion that such
18 a move will create havoc with the federal tax system and
19 have resisted the idea strenuously. Should a federal tax
20 amnesty program be instituted, Secretary Fisher said New
21 Mexico would pick up some dollars, but it would not be sub-
22 stantial since personal income tax levels are very low here.
23 She added that there is a lot of encouragement for people
24 to file in New Mexico because of the tax rebates and credits
25 available to them.

26
27 Rep. Hobson reviewed certain figures presented by Dr. Lopez
28 and then asked if the Executive Branch has plans to increase
29 the Operating Reserve of \$82.5 million and the State Support
30 Reserve which has been drawn down from \$14.1 to \$8 million.
31 Dr. Lopez stated that in view of the interest market and the
32 oil market predictions, the Executive Branch may want to dis-
33 cuss whether levels established for the reserve accounts in
34 previous years are prudent for the 75th fiscal year; he opined
35 that there is not much cause for worry for the 74th fiscal
36 year in terms of the numbers presented. Dr. Lopez suggested
37 that informal discussions be held with LFC, TRD and DFA staff
38 to arrive at "comfortable" figures, and emphasized that the
39 next 18-month period will be most uncertain in terms of pro-
40 jecting revenues for the state.

41
42 Rep. Hobson asked Dr. Lopez if he has plans to replace
43 the \$6.1 million drawn down in the State Support Reserve.
44 Dr. Lopez explained that the legislature contemplated that
45 the reserve be maintained at roughly \$10 million and that
46 he intends to try to move it to at least that level. He ad-
47 vised that it would require at least another \$2 million to
48 maintain the \$10 million level.

49
50 Rep. Hobson pursued a line of questioning to determine how
51 the \$6 million will be replaced in the State Support Reserve
52

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1 and Dr. Lopez deferred the questions to Bob Swerdling of his
2 staff, who explained that the P.L. 874 money will be going
3 directly to the school districts and when DFA takes credit
4 from the school districts that money will end up in the
5 General Fund revenues.

6
7 Rep. Hobson questioned this method of allocation, saying it
8 was not the intent of the legislature to raid the State Sup-
9 port Reserve fund of \$6 million, and stressed that the money
10 must be returned to this account. He recommended that Dr. Lopez
11 look into the matter and confer with LFC Director Baca on
12 how fund allocation should best be handled. Dr. Lopez agreed
13 to do so, and added that his intent was not to take any money
14 from the State Support Reserve but a mechanism is needed
15 through the legislative process to recoup the difference
16 because DFA does not have the authority to simply transfer
17 P.L. 874 money directly into the fund. Dr. Lopez said he
18 would follow up with a written document retracing the steps
19 involved for fund allocation.

20
21 Rep. Hobson asked Dr. Lopez to elaborate on the "contingent
22 liabilities" mentioned in his report. He explained that he
23 is referring to the roughly \$12 million the State may have to
24 pay in the 74th fiscal year on the Ranchers case, and refers
25 to nothing which the legislature has not already been advised
26 of.

27
28 Sen. Eoff observed that the legislature authorized \$121 million
29 in bond refunding, but that only \$115 million has been authorized
30 by the Board of Finance. He asked Dr. Lopez if that amount
31 has been reduced by the Board of Finance and, if so, why.
32 Dr. Lopez explained that every request made by state agencies
33 was honored in the bond refunding action, which amounted to
34 \$115 million; some state agencies were not in a position to
35 expend the funds in the near future and their refunding package
36 will be presented when they are ready. He stressed that the
37 amount authorized has been honored and not reduced from that
38 directed by the legislature.

39
40 Sen. Eoff asked Secretary Fisher if the \$319,000 received
41 under the Tax Amnesty Program was a situation where the tax-
42 payer heard about the program and withheld payment on 1985
43 taxes in order to take advantage of the savings offered.
44 She responded that the department was very close to collecting
45 from this taxpayer and it was a situation where they took ad-
46 vantage of the program. In another case, however, where some
47 \$225,000 was collected, the department had no knowledge of
48 the taxpayer and the money was paid through a new filing.

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1 In response to a further question from Sen. Eoff, Secretary
2 Fisher said she has no plans for another amnesty program and
3 recommended that the legislature not authorize another for
4 the very reasons pointed out by Sen. Eoff.

5
6 Sen. Eoff asked if the Taxation and Revenue Department has
7 plans to prosecute delinquent taxpayers who do not make pay-
8 ments under the amnesty program. Secretary Fisher advised
9 that the department utilizes its fraud unit to prosecute;
10 it presently has a number of cases in progress and it will
11 step up its program when the amnesty program is completed.
12 She added that a grand jury in Albuquerque handed down in-
13 dictments against an Albuquerque couple and their corpora-
14 tion about three weeks ago. Another two cases are expected
15 to go to the grand jury and a third will probably result in
16 a form of plea bargaining with the Attorney General's office.

17
18 Rep. Robbins asked several questions regarding the three-month
19 delay in obtaining oil price figures. It was explained that
20 the three-month delayed reporting date is set by legislation
21 and, in fact, used to be a longer lag period.

22
23 Rep. Hobson asked Dr. Lopez for the total amount of the bonds
24 that were authorized for refunding, and he said it was \$320 million
25 Inquiry was then made regarding a requirement that a like amount
26 of bonds be purchased with the same maturities from the govern-
27 ment. Dr. Lopez explained that when the new bonds are purchased
28 the old are defeased and, to date, the State has refunded bonds
29 in the amount of \$271 million and the \$320 million obligation
30 no longer exists. Rep. Hobson pointed out that the State then
31 had to go back and buy government bonds of a like maturity in
32 that same amount, \$271 million, to which Dr. Lopez agreed.

33
34 Rep. Hobson then calculated that with the combination of
35 the new bond issue of \$115 million, the sale of some \$157 million
36 in South African investments, bond refunding in the amount of
37 \$271 million, and government purchases with a like maturity in
38 the amount of \$271 million, the State has paid brokerage fees
39 on approximately \$800 million in bond and stock transactions.
40 Dr. Lopez was unable to verify the figure arrived at by Rep. Hob-
41 son, and pointed out that brokerage fees differ between those
42 paid for bond refunding and stock sales. Rep. Hobson asked
43 Dr. Lopez to provide the committee with information covering
44 the transactions in toto, the amount of brokerage fees paid,
45 whether discounted or not, and the amount paid to each broker.
46 Dr. Lopez agreed to provide the most accurate data available
47 reflecting what took place.

48
49 Chairman Sandel asked Dr. Lopez to explain the term "fly up"
50 regarding gas production prices. Dr. Lopez explained that at
51
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1 the time of gas deregulation everyone was looking at a base
2 of \$2.75 per mcf, and everyone expected that as a result of
3 deregulation the price would "fly up" as high as \$2.92 per
4 mcf considering regulations that govern the gas market,
5 international relationships with Canada, and the overall
6 advice from experts at that time. Eighteen months later
7 these predictions have not proven out, the gas markets are
8 in disarray, and no one anticipated correctly what was going
9 to happen in the gas market.

10
11 Through questioning from Chairman Sandel, Dr. Lopez agreed
12 that gas prices have gone down since the time of deregulation
13 and the revenue projections are off by the difference in the
14 two prices of \$2.82 to \$2.70 per mcf. In response to a further
15 question from Chairman Sandel, Dr. Lopez advised that this
16 lower price would be taken into consideration in arriving
17 at further projections in October. Dr. Lopez was unable to
18 provide Chairman Sandel with accurate figures for volume
19 and advised that he would only be able to do so if a trend
20 is established between now and October.

21
22 Chairman Sandel commented that he has heard figures discussed
23 which are lower than the \$2.70 per mcf, and asked Dr. Lopez
24 if he is in close communication with gas suppliers and whether
25 his \$2.70 per mcf figure might still be on the high side.
26 Dr. Lopez said he is in close contact with the industry and
27 that he has allowed for a further drop in price in his report.
28 Chairman Sandel indicated that he has knowledge that some
29 contracts are now being negotiated at \$2.35 per mcf; however,
30 Dr. Lopez opined that this price must be at the wellhead and
31 that the sale price is closer to \$2.70. Chairman Sandel agreed
32 that he was talking about wellhead prices. Dr. Lopez assured
33 Chairman Sandel that he does not enjoy being off the mark and
34 had he had any indication 18 months ago that the price of gas
35 would go down he would certainly have taken it into account in
36 arriving at his projections.

37
38 Sen. Chandler asked Dr. Lopez to also include information
39 about how much money will be lost by the State Investment Council's
40 decision to withdraw from investments with companies doing busi-
41 ness with South Africa, including any commissions paid, staff
42 time, investments which lost money as a result of withdrawal,
43 and any related losses. Sen. Chandler told Dr. Lopez that
44 he thought the Investment Council made a serious mistake by
45 taking the action it did, and that it should not have used
46 New Mexico's tax money to affect foreign policy. Sen. Eoff
47 joined in Sen. Chandler's remarks.

48
49 Sen. Eoff then asked Dr. Lopez if he is a voting member of the
50 Investment Council, and Dr. Lopez advised that he is. Sen. Eoff
51 asked Dr. Lopez to share the vote on the first effort to divest
52

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1 the South African investments. Dr. Lopez reported that
2 Treasurer Hartley and himself were the only members voting
3 in favor of divestiture, with a final 5 to 2 vote. Sen. Eoff
4 then asked for the second vote on the matter, and Dr. Lopez
5 advised that everyone voted in favor of it with the exception
6 of Mr. Kirkpatrick, the representative from New Mexico State
7 University. Sen. Eoff then asked who offered the motion to
8 reconsider the matter, and Dr. Lopez advised that Governor
9 Anaya removed himself as chairman of the Council and then
10 moved for the passage of the divestiture, with a resulting
11 unanimous vote, excepting Mr. Kirkpatrick.

12
13 Rep. Hobson added to his previous request for information
14 on the bond refunding matter, and asked Dr. Lopez to also
15 include information on any lawyers' or other fees paid in
16 the several transactions.

17
18 Dr. Lopez was not able to provide Rep. Robbins with the names
19 of companies affected by the Investment Council's action,
20 and Rep. Robbins expressed concern that Dr. Lopez did not look
21 at the investment portfolio before his vote. Dr. Lopez said
22 he looked at the numbers, but not the companies involved,
23 adding that he did not think it appropriate to explain his
24 personal opinions as to why his conscience dictated that he
25 vote a certain way. At the time the data was presented to
26 him, however, it indicated to him that a profit would be
27 realized by divesting at the time the State did. In further
28 response to questions from Rep. Robbins, Dr. Lopez advised
29 that the staff did review the company names, but he did not
30 since he was only interested in the bottom line.

31
32 This concluded Dr. Lopez's presentation, and Chairman Sandel
33 thanked him and Secretary Fisher for their presentations.

34
35 ENERGY AND MINERALS DEPARTMENT PROGRESS REPORT
36 Secretary Paul Biderman

37
38 Secretary Biderman advised that he was asked to address three
39 issues before the committee: Cogeneration Facility at the State
40 Penitentiary; Weatherization Assistance Program; and depart-
41 ment reorganization.

42
43 Cogeneration Facility/State Penitentiary. Secretary Biderman
44 reported that this is a complex project which avails the State
45 of prudent technologies in power production, which is becoming
46 increasingly popular among private entities and government agencies
47 throughout the country. He provided background information
48 about this project to provide electricity and heat to the peni-
49 tentiary through a cogeneration project on the site. The intent of

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1 the project, he explained, is to satisfy the needs of the
2 new correctional facilities being put into service outside Santa
3 Fe for a secure and economical supply of Energy. He explained
4 that a generator will be installed on the site using gas
5 delivered by Gas Company of New Mexico to generate electricity,
6 with the waste heat from the gas engines being used a second
7 time to heat water and space at the facilities.

8
9 Through the joint efforts of the General Services Department,
10 the Corrections Department, and the Energy & Minerals Depart-
11 ment, along with review and comment from the Attorney General's
12 office, an agreement to finance and install the project is
13 near completion, Secretary Biderman stated. It will place
14 construction costs and risks on private sector entrepreneurs
15 and guarantee, conversely, against any loss or risk by any
16 state agency, with ultimate cost savings to benefit the
17 Corrections Department.

18
19 Construction and installation will be financed by private
20 purchases of tax exempt certificates of participation that
21 will in no way obligate the State of New Mexico to payment
22 or guarantees of any kind. The private builder is Santa Fe
23 Cogeneration Associates; the contractor who will operate the
24 facility is King-Knight Company; the underwriter is R. H.
25 Moulton; and the trustee is Banquest of Albuquerque.

26
27 The Corrections Department will be billed for electrical
28 services as the project begins to operate at no more than
29 the rates charged by Public Service Company for their class of
30 service; this money will be paid through the General Services
31 Department to the trustee, who will then distribute the money
32 among project operation and maintenance, fuel costs, payment
33 of interest and principal on the debt, and establishment of
34 several reserve accounts. Money not paid toward these items
35 may be applied toward accelerated payment of the debt. Within
36 no more than 12 years, but as early as 8, depending on the
37 speed of the payment, the General Services Department will own the
38 cogeneration facility. Secretary Biderman went on to say
39 that the result is that after the 8-12 year period and for
40 the remainder of the 25-year projected life of the plant,
41 instead of paying for both its gas and electricity at rates
42 that will emerge over those years, the Corrections Department
43 will pay only for gas for the operation and maintenance of
44 its own cogeneration plant and for back-up power from Public
45 Service Company as required to purchase that power when the
46 cogeneration system is inoperable. Gas purchased by the
47 Corrections Department, he said, will thus serve a dual need:
48 electric generation to power lights and equipment and,
49 through the waste heat, it will provide space and water heating
50 for the facility.

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1 Secretary Biderman then addressed some of the outstanding matters
2 which still remain to be resolved with Public Service Company
3 of New Mexico and others involved in the agreement.

4
5 Questions followed from committee members, with Rep. Hobson
6 reminding Secretary Biderman of an occasion when El Paso
7 Electric was operating a cogeneration plant inside New Mexico and
8 directed to switch from gas to oil as the source for operating
9 its facility. He then asked if the economy experiences another
10 crunch, is it likely that the State would then, also, have to
11 convert from gas to oil. Secretary Biderman opined that this
12 is almost impossible because, in this case, the gas will be
13 used twice and is a more efficient use of the gas than any
14 other source would be, adding that this is not the same situa-
15 tion that a utility company was in when producing electricity
16 from gas. Margot Steadman, general counsel for General Services
17 Department, confirmed Biderman's assessment of the El Paso
18 Electric's situation. Secretary Biderman added that the pro-
19 hibition against El Paso Electric was applied under the Power
20 Plant and Industrial Fuel Use Act.

21
22 Rep. Hobson asked Secretary Biderman and Ms. Steadman if they
23 had written assurances that the State would not be faced with
24 the future prospect of having to convert from gas to oil and
25 if they could absolutely guarantee their position. Secretary
26 Biderman said he could not absolutely guarantee anything be-
27 cause it was not within his power to do so, adding that a lot
28 of occurrences in this field have totally belied anyone's as-
29 sumptions over the past ten years. However, for the State to
30 be ordered to convert from gas to oil would totally go against
31 the logic of anything that has heretofore been done, Secretary
32 Biderman stated, and the act to which he previously referred
33 establishes a priority for the kind of gas use contemplated
34 here. In addition, other federal laws express a preference
35 for this type of energy use.

36
37 Mr. Chris Perry, formerly Deputy Secretary for the Energy and
38 Minerals Department, responded to a question from Rep. Hobson
39 concerning system efficiency, saying that the overall efficiency
40 would exceed 80 percent. Rep. Hobson asked if the conversion
41 rate was normally 30 to 40 percent in cogeneration plants,
42 and Mr. Perry agreed that this was true in large power plants,
43 however, in cogeneration facilities where waste heat is being re-
44 used the overall efficiency is much higher.

45
46 In response to a question from Sen. Benavidez, Secretary Bider-
47 man said the cost to the State for this project is zero be-
48 cause it isn't spending anything it wouldn't have already been
49 spending to buy electricity. The investors, he explained, will

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1 be repaid on their investment through the savings realized on
2 the project, with the State ultimately assuming ownership.

3 Mr. Bob Strumor, attorney for the underwriter, appeared before
4 the committee and explained that title to the land will always
5 remain with the State. In the transaction, the land is leased
6 to a nonprofit corporation, which is then responsible for making
7 sure that the project is operational; then there is a lease back
8 with the State's only obligation being to make conditional
9 lease payments only if the marginal cost of energy to the facility
10 is less than what the State would pay to PNM. Energy costs to
11 the whole Corrections Department are approximately \$1 million
12 a year, with approximately \$300,000 of that amount going to
13 PNM. Mr. Strumor said that if the facility cannot produce
14 energy for less than \$300,000, the State doesn't have to pay
15 anything. The amount for leasing land from the State is a
16 nominal amount of one dollar, Mr. Strumor stated, to the non-
17 profit corporation.
18

19 Sen. Benavidez asked for documentation detailing the various
20 elements involved in putting the project together, and Secre-
21 tary Biderman reported that such a package has been provided
22 to the LFC, and agreed to provide Sen. Benavidez with an over-
23 view of it.
24

25 Sen. Eoff inquired whether a State Engineer's closed basin
26 water permit would be necessary to obtain water to operate
27 the plant and Secretary Biderman advised that it would not.
28

29 Sen. Eoff then asked whether excess power could be sold to
30 Public Service Company of New Mexico or anyone else, and
31 Secretary Biderman said it could not and that the documents
32 specifically forbid such sales. Sen. Eoff then quoted from
33 certain language in the proposed contract saying:
34

35 "Marginal value of energy" means the price which the
36 State would have paid for each unit of thermal energy
37 or electricity consumed by the State at the penitentiary
38 or the price per unit of electricity produced by the
39 cogeneration facility paid by the Public Service Company
40 of New Mexico for excess electricity produced by the
41 cogeneration facility. (Emphasis added)
42

43 He asked Secretary Biderman to explain the language and what
44 it meant. Secretary Biderman said he did not understand the
45 language either and asked for technical assistance from his
46 staff. Mr. Chris Perry stated that the early drafts of the
47 contract do envision the sale of power to the electric utility
48 which are standard documents used by the developer in other
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1 parts of the country as well as in New Mexico, he said, and
2 they do not reflect the current design of the facility which
3 will prevent any sales of power to the utility; he added
4 that the documents will be changed to indicate that. Sen.
5 Eoff was assured that the language would be corrected, and,
6 in fact, that it has already been agreed to.

7
8 In response to a question from Rep. Saavedra, Mr. Strumor
9 advised that the Valley National Bank of Salt Lake City, Utah
10 is the purchaser of the certificates and they will be buying
11 them at an average coupon rate of 9-3/8ths percent, and that
12 a certificate purchase agreement has been executed. Rep.
13 Saavedra asked how the project came into being, and Secre-
14 tary Biderman said it was done at Energy and Minerals Depart-
15 ment's instigation as a part of its mission to take advantage
16 of what is being used increasingly throughout the country
17 in the form of an energy saving technology.

18
19 Weatherization Assistance Program Transfer from Human Services
20 Department to Energy & Minerals Department. Secretary Biderman
21 advised that the Governor has signed an Executive Order trans-
22 ferring the federal DOE weatherization assistance program
23 from the Human Services Department to the Energy & Minerals
24 Department as of October 1, 1985. The program will draw upon
25 the new department's commitment to and in-house expertise in
26 weatherization technology and products, and monitoring of
27 field activities will also be upgraded, as will fiscal manage-
28 ment of the program, Secretary Biderman reported.

29
30 There were no questions from committee members on this presenta-
31 tion.

32
33 Reorganization: Resource Development and Management Division.
34 Secretary Biderman reported progress on implementation of the
35 new division authorized by the legislature at its last session.
36 The new division comprises the old Resources & Development
37 Division, Energy Conservation and Management Division, and Bureau
38 of Geology for the Mining and Minerals Division. The intent here
39 was to combine units of government which were sometimes per-
40 forming overlapping and related tasks and coordinate their
41 skills in areas like energy efficiency programs, development
42 of alternative technology enterprises, publication and dis-
43 semination of public information, etc. He said that the
44 consolidation has worked out very well and thanked the com-
45 mittee for its support on the bill, thus making it possible.

46
47 The committee recessed at 12:30 p.m., August 19, 1985.
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The committee reconvened at 1:37 p.m. with all members present

Others Present: Carlos Garcia, Danny Byrnes, Frank Borta, Reina Alarid, Carol Leach, Lloyd McClendon, Richard Clasby, Fred Ortiz and Virginia Herrera.

CORRECTIONS INDUSTRIES PROGRESS REPORT

Secretary Michael Francke

Secretary Francke advised that he was asked to appear before the committee to discuss the Corrections Industries Division of the department. Some information requested was furnished to LFC staff, he stated, a portion was being distributed at this meeting, and one item not yet committed to writing is the plastics pricing information on the tableware, which is now being refined for submission to the committee in executive session. The information is proprietary because it would be a significant advantage to the department's competition to have access to the data, he stated.

Secretary Francke reported that staff member Jim Mickelson has resigned and accepted a job the Oregon system as director of that industries program; and Ken La Morder, the furniture production manager has resigned and taken a job with the Arizona system, with both leaving for better opportunities with higher pay.

After a two-month search for an Industries Director, review of over 100 applications for the job, an internal screening which considered education, work history, management experience in related areas, management experience generally, state employment history, process routing, quality control, inventory, financial background, computer background, agricultural background, marketing, personnel, purchasing, prison, warehouse, etc., a review of the top 16 applicants by the Industries Commission, and a referral of 5 names to Secretary Francke for interview, Fred Ortiz was selected, with the Governor's approval. Mr. Ortiz is scheduled to commence work in October, was in attendance at the meeting and introduced to the committee by Secretary Francke.

Mr. Ortiz addressed the committee advising that he is from Nambe, has been in business for many years, been a tax auditor, worked with the City of Albuquerque in finance, and has been in private business for the past ten years. Mr. Ortiz considers his new responsibility to be a challenge and expressed willingness and enthusiasm to get on with the job. Secretary Francke added that Mr. Ortiz has a strong accounting background, has been in the manufacturing, marketing and sales area as president of Nambe Mills, Inc., when it was a family business, and has had a continuing interest in retail and production

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1 operations in this area with national marketing of certain
2 products,

3
4 Tag Plant Operation. Secretary Francke reported that after
5 a decision was made in 1983 to switch to steel plates, prepara-
6 tory work was not conducted to accommodate that change, and
7 in the summer of 1984 when Mr. Mickelson came to the division
8 he began taking steps to modify factory tooling to handle
9 the steel stock. The department was then experiencing budget
10 deficit problems and could not respond to capital outlay needs,
11 but once that dilemma was overcome, the department took steps
12 to acquire the necessary equipment to accommodate the change.
13 Secretary Francke said the department next encountered pur-
14 chasing procedural obstacles and other delays, with the purchase
15 order finally being completed in February of 1985 and delivery
16 expected from John R. Wald Company in May and June of 1985.
17 The company only made partial delivery on the due dates which
18 resulted in further operational delays, however, Secretary
19 Francke reported, complete delivery was very recently accom-
20 plished, with the exception of one re-tooling piece of equip-
21 ment.

22
23 Secretary Francke then went into great detail describing
24 numerous machine breakdowns with existing equipment at the
25 at the division throughout the summer, which resulted in re-
26 duced production of plates. The Texas Corrections system
27 was able to provide the division with some assistance in
28 producing preliminary work on the plates, and the division
29 completed the finish work on the plates with that equipment
30 which was operational and available to it. It cost the
31 State, he said, about \$14,000 for 100,000 plates, however,
32 the division did not charge Motor Vehicles for the additional
33 expense incurred in going to an outside supplier.

34
35 It was reported further by Secretary Francke that two purchases
36 for motorcycle plates were made from Texas in the past year
37 because the motorcycle tooling was poor at the division and
38 producing deficient plates. Arrangements have been made to
39 correct this problem, but Secretary Francke was unable to
40 provide a firm date for completion.

41
42 Assuming the press continues to work, Secretary Francke said
43 the division is now able to produce plates at the rate of
44 4500 per day, thereby compiling a sufficient stockpile to
45 enable the operation to shut down to accommodate the re-
46 tooling, and in the ensuing month shut down for eight days
47 to renovate the oven.

48
49 In the future, Secretary Francke said, there will be a need
50 for the division to purchase its own raw materials in bulk
51
52

1 in order to cut cost of production and utilize the auto-
2 mated cost accounting system to provide Motor Vehicles with
3 a firm price based on actual cost experience. The price of
4 \$1.25 per plate has been agreed to between the two agencies
5 for the upcoming fiscal year, up 10 cents from the current
6 price.

7
8 Furniture Production and Training. Secretary Francke advised
9 that difficulty was also encountered with production of the
10 wood modular office system, saying tolerances were poor and
11 quality low, and this required a production shut-down until
12 such time as an intensive training program could be conducted.
13 A six-week training program was authorized and the division
14 is now in its third week of that training. This delay has
15 resulted in a loss of wood orders, Secretary Francke reported.
16 Metal furniture has been substituted where possible and an
17 intensive metal assembly operation is ongoing, he said. In
18 this connection, Secretary Francke made reference to con-
19 tinuing questions about the purchase of completed assembled
20 metal furniture last year, and advised the committee that
21 documents supporting this purchase are included in the hand-
22 out provided by the department, and went on to explain that
23 the purchases were necessary to meet delivery deadlines
24 when the division was without production capacity to meet
25 commitments. The first delivery of wood furniture off the
26 new assembly line will be in October, Secretary Francke re-
27 ported, to the new veterans' facility in Truth or Consequences.

28
29 Farm Operation. Secretary Francke reported that the farm
30 manager has concluded that the hog operation is not cost ef-
31 fective because of the high cost of feed and insufficient
32 acreage to graze the hogs. It is, therefore, the department's
33 current intention to phase out this operation and concentrate
34 on beef and dairy.

35
36 Financial Information System. Secretary Francke recalled
37 that the department told the committee its automated financial
38 information system would be operational in October of 1984.
39 Since then, he stated, the full panoply of the State's pur-
40 chasing and other procedures for obtaining automated equipment
41 and software have been encountered, and cited one delay of
42 97 days between the day RFPs were first initiated for account-
43 ing support and the day the document was at the Attorney
44 General's office for signature. Secretary Francke advised
45 the committee that this was only one of a series of delays
46 experienced by Mr. Mickelson which finally made him lose con-
47 fidence in the department's ability to put together a good
48 industries program. Approval for hardware and software was
49 eventually received, as was the accounting assistance, how-
50 ever, the Wang equipment has now been down 14 days out of
51 the last 6 weeks, which may further delay the system's im-
52 plementation date.

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1 Secretary Francke reported that the acting financial manager
2 responsible for system implementation is also leaving the
3 department because his promotion was not approved by State
4 Personnel, taking the position that Financial Manager Danny
5 Brynes' qualifications were not adequate, even though he
6 installed the system. Assuming the equipment is operational,
7 Secretary Francke said he expects to have the system ready
8 in October.

9
10 Plastic Production Capability/Las Cruces Facility. Secretary
11 Francke said the department is currently negotiating with
12 a Minnesota firm for establishing a plastic production capa-
13 bility at the prison in Las Cruces and a telemarketing opera-
14 tion supporting that production and sales effort at the
15 Women's Prison in Grants, which would include a hot stamping
16 and packaging operation, and provide work for more inmates.

17
18 Plastic Cutlery Production. Secretary Francke advised that
19 a decision is imminent in producing and marketing the cutlery,
20 and opined that the department is fortunate to have Ben
21 Balthazor as a consultant in Las Cruces. He reported that
22 Mr. Balthazor was the chief engineer for the major plastic
23 injecting molding company in the country with 17 factories
24 and the number one supplier to the automobile industry.

25
26 Secretary Francke reported that he is also attempting to
27 obtain the services of a furniture specialist who was with
28 Ethan Allen Company for over 15 years to help the department
29 with its furniture production. This type of expertise, he
30 stated, would help tremendously in getting quality wood products
31 on the market.

32
33 A marketing specialist was recently hired by the department,
34 Frank Borta, a recent graduate of Eastern New Mexico University.
35 He and one of his fellow students prepared a marketing analysis
36 for the department on the plastic cutlery which was reviewed
37 by several department consultants and given excellent marks.

38
39 Several documents were distributed to members of the committee
40 covering various aspects of the cutlery program. ..

41
42 Secretary Francke closed his presentation by saying that
43 the department has a good staff in the Industries Division,
44 excellent equipment and excellent space, thanks to legis-
45 lative appropriations over the last three years, and that
46 he expects a well run division under the leadership of
47 Mr. Ortiz.

48
49 In response to questions from Rep. Hobson, Danny Brynes
50 stated that the Wang equipment was purchased, with approval
51
52

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1 from the Information Services Council, in October; after
2 some delay the software was loaded in April, and at that
3 point began building the files and setting up the system
4 and converting the manufacturing software to handle govern-
5 mental accounting. At this point, he explained, informa-
6 tion from last fiscal year is being re-entered in order
7 to capture the profit and loss from each separate enter-
8 prise.
9

10 Further questions were asked regarding the system break-
11 down, with Secretary Francke advising the committee that
12 the department tried to purchase an IBM system which demon-
13 strations showed would meet its needs, however, the Data
14 Council would approve only the Wang, even though the depart-
15 ment has encountered difficulty using another Wang and it
16 expressed a desire against the system.
17

18 Secretary Francke took a moderate amount of time to express
19 his frustration with a host of bureaucratic constraints which
20 prevent an enterprise such as the Industries Division from
21 making any real progress, particularly with processing personnel
22 actions.
23

24 Rep. Hobson asked for clarification on the type of substance
25 to be used to produce the tag plates, and Secretary Francke
26 said that the plant is capable of producing steel plates now,
27 however, the decision for the Base material lies with Motor
28 Vehicles.
29

30 Rep. Hobson asked if the agriproducts project for South Facility
31 would be consummated with the Minnesota manufacturing firm,
32 and Secretary Francke referred the committee to a letter of
33 intent between the parties contained in his handout, and added
34 that it is imperative he get to Minnesota quickly to inspect
35 the plant there and meet with company representatives. Again,
36 he expressed great frustration with the constraints placed
37 on him to get out-of-state travel approval.
38

39 Secretary Francke introduced Dick Clasby of the Utah Department
40 of Corrections, who is working under contract with Mr. Francke
41 to obtain the required exemption from federal statutes to per-
42 mit the shipment in interstate commerce of inmate goods, which
43 is a prerequisite to completing the Apex transaction. Mr. Clasby
44 is recognized as a top industries person across the country,
45 Mr. Francke said, and set up a successful private sector coopera-
46 tive venture in Utah.
47

48 Rep. Hobson observed to Secretary Francke that it appeared
49 that each project discussed by him was dragging severely behind
50 and that it was equally exasperating to the committee as to
51 Mr. Francke.
52

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1 Mr. Francke emphasized that the control system within
2 which he must operate includes approvals from the attorney
3 general, state auditor, DFA, and board of finance on certain
4 transactions, State Personnel, State Purchasing, Data Council,
5 General Services, Property Control, etc.

6
7 Rep. Hobson referred to an exemption from the Purchasing Act
8 which was granted to the Corrections Department, and asked
9 Mr. Francke why the exemption has not been exercised. Mr. Francke
10 said the regulations to implement the exemption have been pre-
11 pared, considered by Secretary Lithgow of the General Services
12 Department, and are now held in abeyance due to word received
13 by him that the LFC questioned the proposition due to Mr. Mickel-
14 son's departure from the department. Secretary Francke advised
15 the committee that he would hold up on the exemption until such
16 time as he is assured by the committee that it should be exer-
17 cised, and opined that it is a good idea to buy things as cheaply
18 as possible no matter who is employed with the department.
19 Secretary Francke elaborated on losses which would accrue to
20 the department if the exemption is not used and the danger it
21 poses to several projects. Rep. Hobson essentially told Secre-
22 tary Francke that he must make the decision about using the
23 exemption and reminded him that the law is on the books and
24 he is vested with all the necessary authority to do so. Secre-
25 tary Francke was also cautioned by Rep. Hobson that he must
26 get a handle on all the administrative entanglements which
27 are hindering department progress because they are working to
28 his detriment.

29
30 Rep. Otts noted a discrepancy in the purchase order involving
31 John R. Wald Company, which was explained by Secretary Francke
32 to his apparent satisfaction, noting that the document handed
33 to Rep. Otts was incomplete and did not fully reflect all items
34 purchased. Rep. Otts asked for a complete set of the document
35 which Secretary Francke agreed to furnish.

36
37 Rep. Otts next asked for verification of a previous statement
38 made by Secretary Francke that 100,000 tags were purchased from
39 Texas for \$14,000. Brief discussion between Mr. Francke and a
40 staff member disclosed that the cost per tag was 50 cents, for
41 a total cost of \$50,000.

42
43 Rep. Otts pointed out to Secretary Francke that within the
44 Executive Branch of government one agency is requesting IBM
45 equipment as opposed to another agency directing that all New
46 Mexico investments out of IBM because they're doing business
47 in South Africa.

48
49 Rep. Saavedra commented that his experience in working on a sub-
50 committee which had considerable interaction with Mr. Mickelson
51
52

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1 showed that he received almost every concession requested from
2 the subcommittee, and added that his information was that
3 Mr. Mickelson left the State because he didn't like it here.
4 Secretary Francke strongly objected with this assessment of
5 Mr. Mickelson's reason for leaving the department, and reiterated
6 his position that it was due to the numerous delays encountered
7 with the State's bureaucracy. Secretary Francke also stated
8 that the division made great progress under Mickelson's leader-
9 ship and expressed considerable pride over that progress.

10
11 Rep. Saavedra questioned the department's efforts to continually
12 recruit people from out of state and wondered aloud whether the
13 State residents were incapable of being trained, whether people
14 from out of state are better than our residents, etc. Secre-
15 tary Francke opined that what other states have that New Mexico
16 doesn't is a stable political system, citing the replacement
17 of corrections directors every six months or so without regard
18 to their job performance or the chief of any organization, it
19 reflects negatively on the State and makes it difficult to
20 achieve progress. Secretary Francke stressed the importance
21 of local training and said the department is struggling to
22 provide that training. Secretary Francke's use of the term
23 "political" initiated numerous other questions from Rep. Saavedra
24 about political actions by individuals as opposed to the general
25 reference to stability within New Mexico's political environment
26 made by Secretary Francke. Secretary Francke explained that
27 the term was not used in a negative sense, adding that politics
28 is a reality of life which exists in all segments of private
29 industry as well as government. One of the major reasons for
30 the instability, Secretary Francke opined, is the single term
31 requirement for governors, making them lame ducks upon assumption
32 of office, and generates an unstable environment for programs
33 to be initiated and followed through to conclusion.

34
35 Sen. Benavidez inquired about the types of positions held by
36 Messrs. Lloyd McClendon and Les Gibson with the department, and
37 Secretary Francke said they are both classified positions, with
38 the latter now being contested by the previous holder of the
39 position -- a matter which Secretary Francke was unable to dis-
40 cuss because the previous employee has filed a protest with the
41 State Personnel Board, but offered to discuss in executive session.

42
43 Sen. Benavidez next inquired into a budget transfer of funds
44 allocated for beef slaughter operations to purchase new farm
45 equipment when the old farm equipment was quite adequate. Secre-
46 tary Francke assured him that no money expended for farm equip-
47 ment came from the beef slaughter operations, but came from
48 capital outlay funds appropriated by the legislature. Secre-
49 tary Francke also questioned the accuracy of the statement that
50 farm equipment was adequate and cited numerous examples of replace-
51 ment and maintenance needs for existing equipment.

52
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1 Sen. Benavidez requested a list of equipment purchases made in
2 the last six months from Secretary Francke, which he agreed to
3 furnish as well as a list of replaced equipment.

4 In response to questions from Sen. Eoff, Secretary Francke re-
5 ported that the dairy operation is in need of separating and
6 packaging equipment, as well as an additional period of time
7 to adjust production cycles for cows.

8
9 In response to a further question from Sen. Eoff, Secretary
10 Francke said he was unable to report whether any of the prison's
11 industries were operating at a profit until he receives the
12 financial information in October.

13
14 Sen. Eoff asked about the prospect of closing down unprofitable
15 enterprises, and Secretary Francke said that in the last year
16 the auto body shop has been shut down, as has the sign shop,
17 and the department is contemplating the closure of the hog
18 slaughter operation.

19
20 In reply to further questions from Sen. Eoff, Secretary Francke
21 reported some 410 inmates who are employed in prison indus-
22 tries, an increase over the 300 employed at this time last year.

23
24 Sen. Eoff next inquired about the refusal of the Corrections
25 Industries Commission to authorize equipment purchases for
26 tableware. Secretary Francke reported that at the commission's
27 last meeting it directed the department to obtain 7,000,000
28 orders before authorization would be granted to produce the
29 tableware. The sales effort is now underway, although it
30 has presented additional frustration to department staff.

31
32 Sen. Eoff asked whether Corrections Industries had gone out
33 on the open market and purchased furniture which it later
34 sold to the new prison in Grants at a profit. Secretary Francke
35 advised that it did and realized a profit of \$80,000 for three
36 facilities. He added that the furniture was delivered at
37 the contract price and not bumped to make a profit.

38
39 Sen. Eoff then inquired about the 50 acre alfalfa opera-
40 tion at the main prison. Secretary Francke explained that
41 it is used as a method to rid the area of effluent water,
42 which contains good chemical properties for alfalfa growth.
43 However, the alfalfa is not shipped to other prison facilities
44 because of prohibitive shipping costs, but is instead con-
45 tracted out for sale. The department received some \$5300
46 for the sale of its alfalfa based on a \$1.20 per bale price,
47 which was the highest bid received, with the next being a
48 mere 8 cents per bale, and the next only 5 cents per bale.
49 Sen. Eoff asked for the name of the alfalfa purchaser and

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1 the purchaser's place of business. Later testimony dis-
2 closed that the purchaser was also responsible for growing
3 and cutting the alfalfa, as well as removing it from the
4 premises, which appeared to place a different light on the
5 committee's reaction to the \$1.20 per bale price.

6
7 In response to a question from Rep. Robbins, Secretary Francke
8 said the reason for the switch from aluminum to steel for
9 plates was to obtain a more durable substance, adding that
10 this information was supplied to him by others who participated
11 in the 1983 decision. It was established that, per plate,
12 aluminum is more expensive than steel.

13
14 Rep. Robbins then posed several questions to the prospective
15 director of Corrections Industries Division, which resulted
16 in answers that Mr. Ortiz had no prior experience in prison
17 industries, but 15 percent of production employees at Namba
18 Mills were parolees and former inmates. Mr. Ortiz informed
19 the committee that he has considerable experience in organi-
20 zing businesses, marketing and sales. When asked by Rep. Robbins
21 why he thought he could succeed in this job when the previous
22 director with prison industries background could not, Mr. Ortiz
23 said he would first have to get into the job and identify areas
24 for probable improvement before he could answer Rep. Robbins'
25 question. Mr. Ortiz said his prior experiences with larger
26 companies, which also have their share of red tape, have pre-
27 pared him for delivery delays and the knowledge that one can-
28 not expect one-day delivery when dealing with bulk items.

29
30 Inquiry into Mr. Ortiz's business background by Rep. Robbins
31 produced this information: Mr. Ortiz was president of Namba
32 Mills, a family-owned business, for four years and he still
33 retains partial ownership of the retail segment. Under his
34 management it experienced an increase in gross sales during
35 that period from \$800,000 to \$2,000,000 per year.

36
37 When asked by Rep. Robbins why he would want to leave a suc-
38 cessful business to assume the inherent frustrations which
39 government imposes, Mr. Ortiz said he has now reached a point
40 where the family businesses are doing well, the creative
41 organizational work is basically completed, and he wishes to
42 share his experiences with others and make use of his profes-
43 sional training in business accounting.

44
45 Considerable debate followed between Rep. Robbins and Secre-
46 tary Francke over the raise in inmate pay from \$.50 to \$1.20
47 per hour, with Rep. Robbins criticizing the rationale for
48 doing so in light of deficiency and supplemental appropriations
49 requested by the department. Secretary Francke stressed that
50 no such requests have been made during his tenure and that a
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1 \$228,000 deficit which existed during his first year there
2 had been made up. Further debate ensued over the reason for
3 Mr. Mickelson's departure, with Rep. Robbins expressing great
4 disappointment over the action and Secretary Francke providing
5 his perspective of reasons which precipitated the resignation.

6
7 Rep. Robbins told Secretary Francke that the purchasing exemp-
8 tion provision was granted by the legislature because of its
9 confidence in Mr. Mickelson. This brought the retort from
10 Secretary Francke that if it was the committee's desire he
11 would not implement the regulation to effect the exemption,
12 however, if the committee did not expect a subsidy request
13 it would have to grant the division the freedom to act like
14 a business, otherwise time delays and added costs will con-
15 tinue. Throughout the exchange, Secretary Francke referred
16 the committee to the list of accomplishments made by the divi-
17 sion as a form of response to Rep. Robbins' position that it
18 has made minimal progress over the last five years.

19
20 Secretary Francke then expressed the opinion that if inmates
21 are treated right and given work incentives, they will work
22 hard. He added that his position is not to treat inmates
23 like second-class citizens and force them to work without com-
24 pensation. Without work incentives, Secretary Francke said,
25 the inmates would not produce quality products.

26
27 Rep. Robbins questioned the \$400 and \$600 prices paid for
28 chairs at the north facility. Secretary Francke advised that
29 the purchasing decisions are made by the Property Control
30 Division. The project architect, Ron Bergen, reported that
31 the chairs under discussion are special chairs made for
32 security and hospital institutions and are located in areas
33 where abuse will be heavy. In the housing area, he reported,
34 the chairs are made of a light gauge plastic or from
35 fiberglass.

36
37 Mr. Mike Trujillo of Property Control Division corrected
38 Secretary Francke's statement that his division was responsible
39 for the purchasing decisions. He advised that a team approach
40 was used to select special materials where needed and that
41 Corrections was included in that selection process.

42
43 Rep. Robbins requested from Mr. Trujillo information on the
44 total amount paid for special furniture at the facility,
45 and Mr. Trujillo agreed to furnish it.

46
47 Sen. Eoff observed that it does not help the cause of any
48 agency to come before the LFC, or any other legislative commit-
49 tee, and be argumentative with members who take exception to
50 answers provided. He opined that no one on the committee has
51
52

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1 attempted to mistreat Secretary Francke or any other cabinet
2 secretary, but that they are attempting to find out what is
3 best for the taxpayers in New Mexico. Sen. Eoff said he was
4 distressed over the exchange that occurred between Secretary
5 Francke and committee members.

6 Secretary Francke said he had just spent three days in nego-
7 tiations over the consent decree, which was most difficult,
8 he has not had much sleep, and apologized to Rep. Robbins.
9 Secretary Francke acknowledged that he has been treated fairly
10 by the committee and its current membership. Sen. Eoff thanked
11 Secretary Francke for his remarks.
12

13 Sen. Foreman asked Secretary Francke about the criteria used
14 to arrive at the type of industries the department will under-
15 take, i.e., whether it is based on providing the inmate with
16 marketable skills upon release, or based on making money for
17 the State. Secretary Francke reviewed a series of industries
18 which have been started and replaced with others, but did not
19 respond directly to the question asked by Sen. Foreman.
20

21 Sen. Foreman expressed concern that a solid cost accounting
22 system is not in place at the department. Secretary Francke
23 reported that this is a priority item and substantial revisions
24 will be made to the pricing schedule within the next six-
25 month period based upon the automated system.
26

27 Sen. Foreman reiterated his concerns and pointed out that he
28 employs from 200 to 300 people without a computer system and
29 has always maintained a sound accounting system. He emphasized
30 that the same information can be obtained by hand. Secretary
31 Francke explained that the decision to install an automated
32 system was based in large part on the fact that no system,
33 manual or otherwise, existed up to 18 months ago, and that
34 costing was simply pulled out of the air. It was decided
35 that the automated system would best control activities at
36 the various plants around the state. Secretary Francke pointed
37 out that the department was also without accounting personnel
38 to handle a manual system.
39

40 Secretary Francke, in answer to a question from Sen. Foreman,
41 stated that the Industries Commission is comprised of himself,
42 the state purchasing agent, a representative from labor, a
43 representative from business, a representative from agriculture,
44 and one at-large member. His desire is to have vacancy positions
45 filled with persons who possess manufacturing and farming back-
46 grounds.
47

48 Sen. Chavez commented that he received the requested back-
49 ground information on those handling consent decree negotia-
50 tions on behalf of the State. He opined that they appear to
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1 be very well educated, trained and qualified to handle the
2 negotiations.

3
4 In testimony elicited by Rep. Sanchez, it was learned that
5 the alfalfa operation at the main prison is grown and harvested
6 by a private contractor who pays the department \$1.20 per
7 bale for the amount produced. Under the circumstances, Rep.
8 Sanchez said the price is acceptable.

9
10 Rep. Sanchez asked Secretary Francke to explain how it is
11 that the design of the plastic cutlery prevents them from
12 being used as weapons. Secretary Francke offered a demon-
13 stration which showed that when pressure is applied to the
14 cutlery it snaps in two.

15
16 Rep. Gentry commented that he has been visiting corrections'
17 facilities over a ten-year period and he has seen major im-
18 provements during that period of time.

19
20 Sen. Chandler then asked several questions concerning the
21 pay increase for inmates. Secretary Francke said the decision
22 was based on a recommendation made by the industries division
23 director, later approved by the commission. The raise, he
24 explained, ties into the whole program, noting that raises
25 have been funded for kitchen and laundry workers, and the
26 industries program needs to attract the best workers and
27 reward those who produce at high levels. The objective here,
28 he added, was to provide a sliding scale of rewards for good
29 time and pay that would replace the former system where every-
30 one received maximum pay and maximum good time. Under the
31 present system, each worker is provided with a job descrip-
32 tion, is evaluated for performance, and awarded good time and
33 pay based on that performance evaluation. Mr. Francke's
34 goal is to instill a sense of work value in the inmates.

35
36 Secretary Francke assured Sen. Chandler that the pay increase
37 was done with the understanding that it would be covered by
38 industries' revenues. Secretary Francke also confirmed that
39 minimum wages would be required under the Apex proposal.
40 Mr. Clasby from the Utah Department of Corrections explained
41 that the minimum wage requirement comes from a program called
42 the Private Sector Prison Industries Certification Program
43 administered by the Justice Department to permit the sale of
44 inmate-made goods in interstate commerce. To meet concerns
45 of organized labor and private sector businesses, the minimum
46 pay scale has been imposed. Also, there are provisions in
47 the act for deductions to be made from the inmate's pay for
48 room and board and victim restitution. Mr. Clasby provided
49 the legal citation for Sen. Chandler as P.L. 96-827.

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1 In response to a further question from Sen. Chandler, Secretary
2 Francke reported that the Apex company sells to 25,000
3 drugstores and related outlets. Apex will be selling the
4 cutlery to private businesses and not federal prisons.
5 Mr. Clasby noted that if the product is marketed properly,
6 the price of labor will be included in the product.

7
8 In response to a question from Chairman Sandel, Secretary
9 Francke reported that field audits have been conducted on
10 the division for FY 73. Staff member Danny Byrnes advised
11 that field audit results have not been released to the department.
12 Mr. Byrnes advised Chairman Sandel that the audit submission
13 deadline to the State Auditor's office is October 15.
14 Major deficiencies cited during the field audit were the lack
15 of controls over inventory, no perpetual records maintenance,
16 no record of waste, etc. Chairman Sandel observed that it
17 is difficult to understand how any business can make money
18 when there is no control over inventory, waste and pricing.

19
20 Chairman Sandel noted that much discussion occurred during
21 the course of Secretary Francke's presentation over the frustration
22 experienced by him and members of the committee. He
23 observed that a major reason for this was the fact that in
24 July of 1984 the committee was told the cost-accounting system
25 was a high priority item in the department; yet in September
26 of 1985, the committee is being told that the "high priority"
27 system is still not available.

28
29 Chairman Sandel pointed out that in FY 73 a General Fund ap-
30 propriation of \$1,371,000 was made to the division so it could
31 compete for industries. In FY 74, \$800,000 was appropriated to
32 the division; and, now, for FY 75, \$714,000 is being requested
33 from the General Fund. Chairman Sandel stressed that this
34 results in \$3 million for an operation that is supposed to be
35 breaking even or making money, and the committee can't even
36 get a financial statement on the industries it has been funding.

37
38 Chairman Sandel was firm in his conviction that it was dif-
39 ficult to understand how a priority system was not in place
40 a year later, and directed that a copy of the audit report
41 be made available to the committee at the earliest possible
42 date by the department.

43
44 Chairman Sandel recounted a series of "frustrations" expressed
45 to the committee by Secretary Francke, all of which, he noted,
46 have been responded to by appropriating funds to relieve that
47 frustration. He then recounted a series of disappointments
48 over Secretary Francke's inability to cure those "frustrations"
49 by implementing programs within a reasonable period of time.
50 Chairman Sandel made specific reference to the new correction
51
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1 facility and the alleged construction deficiencies reported
2 by Secretary Francke which later appeared not to be as grave
3 as initially described by him. Chairman Sandel told Secre-
4 tary Francke that the operation would never get off the ground
5 unless he gets a system in place to determine prices, waste,
6 design, inventory, etc., and admonished him to do everything
7 possible to get the cost accounting system operational.

8
9 STATE PENITENTIARY CONSTRUCTION PROGRESS REPORT

10 Consultant Bob Lockwood

11
12 Director Baca introduced Mr. Lockwood to the committee, who
13 was hired as a consultant to inspect the penitentiary and
14 report his findings to the committee. Analyst Hazlett intro-
15 duced several resource people available to the committee for
16 questions: Ron Burton of Hutchison and Brown, Fred Burns of
17 Boyle Engineering, Mike Trujillo of Property Control, Ron
18 Vigil of Property Control, Pat Hendley of Property Control,
19 and Bob Montoya of the Corrections Department.

20
21 Grants Facility. Mr. Lockwood reported that he completed the
22 year-end inspection of the Grants facility with members of
23 the Property Control Division, the architect and the contractor.
24 He found a good correctional facility which is operating well,
25 with no major physical plant problems, other than a nagging
26 problem with light bulbs burning out, which is in the process
27 of being corrected. The facility is operating at "150 percent"
28 capacity, with a good plant manager who was the architect's
29 representative on the job during the construction period.

30
31 Most outstanding items have been cured; three minor change
32 orders are in process, and both the warden and plant manager
33 are satisfied with the facility. Water and sewer are connected
34 to the city facilities so the correctional facility does not
35 have the problem of operating a sewage plant.

36
37 Las Cruces Facility. Mr. Lockwood reported that this facility
38 was inspected with the architects and various engineers, who
39 toured the facility and found a very clean, well operated
40 facility, with which he was very impressed.

41
42 No major operational problems exist, with the exception of
43 the sewage plant which was not being operated correctly and
44 probably resulted in unnecessary repairs. An adobe wall
45 is being constructed around the facility by inmates which is
46 very attractive and keeping a lot of inmates busy. The warden
47 and plant manager both appear to be in control of the physical
48 facility.

49
50 Santa Fe Facility. Mr. Lockwood reported that this facility
51 was toured with the Governor's Task Force. He had prepared
52

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1 a written report on the inspection which was previously submitted
2 to the committee. He opined that the state has a good facility
3 both in design and construction. Mr. Lockwood found no major
4 problems. There are minor things needing repair, most of
5 which relate to the Correction Department's operation of the
6 facility. He reported a 280,000 square foot facility with
7 only two maintenance workers, adding that it is in desperate
8 need of an electronics technician to keep the security system
9 operating properly. Mr. Lockwood estimated that some 50 percent
10 of the problems encountered involve operation of computers and
11 the security system.

12
13 Mr. Lockwood reported further that some problems have arisen
14 by virtue of the facility sitting there for nine months. Dust
15 has accumulated on the fire controls and there is no personnel
16 available to clean the fire detectors. He placed the need
17 for cleaning the fire detectors in an emergency category.

18
19 Mr. Lockwood reported a very cooperative contractors' group.
20 One of the major problems in completing the facility came
21 from the delay in awarding the site work, which was the last
22 construction package, and should have been awarded a year
23 prior. The reason for the delay, he explained, was a lack
24 of funds for the architect to perform the design work neces-
25 sary to get the bid package out.

26
27 On Tuesday, another construction meeting was held at the site
28 with Major Salazar, who is in charge of security there,
29 indicating satisfaction with the facility, reporting a more re-
30 laxed atmosphere, security guards asking for transfers to the
31 facility, and better relationships with inmates. Mr. Lockwood
32 said that if the facility would just be put into operation it
33 should be a good one.

34
35 The major disappointment encountered by Mr. Lockwood was
36 with the sewage disposal plant which has been a major problem
37 because of operational difficulties. He told the committee that
38 it is not a difficult operation, however, and that Property
39 Control hired a subcontractor to operate it for some nine
40 months at a cost of \$110,000 in order to protect its invest-
41 ment. The plant's operation was then reassumed by the depart-
42 ment and, when last inspected two weeks ago, a great number
43 of deficiencies were discovered which are now being corrected
44 through a change order by the project contractor. Mr. Lock-
45 wood advised that if the plant cannot be operated by the depart-
46 ment, it should be contracted out. Mr. Lockwood added that
47 the warden indicated to him that he did not want to be in the
48 sewage business.

49
50 In response to a question from Rep. Robbins, Mike Trujillo of
51 Property Control provided the committee with background
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1 information about problems which occasioned the site work
2 delay. Essentially, because of changes in policy decisions
3 and construction directives, and a decision to construct
4 two rather than one facility in Santa Fe, original appropria-
5 tions were insufficient to cover construction costs and the
6 site work was delayed until appropriate authorization was
7 received from the legislature. Once authorization was re-
8 ceived, Mr. Trujillo stated, further delays were encountered
9 due to winter weather, and it delayed other finalization work
10 as well.

11
12 Rep. Robbins recalled that Secretary Francke requested ap-
13 proval to purchase razor wire for the facility in June. He
14 said he later made a visit to the facility and learned that
15 the specifications were not issued until two months later.
16 Rep. Robbins asked Secretary Francke why there was a two-
17 month delay in getting the specifications to Property Control.
18 Secretary Francke replied that the department tried the emer-
19 gency purchase route and it was rejected. The department then
20 went through a short-term bid cycle to obtain the wire.

21
22 Rep. Robbins attempted to clarify the matter by saying that
23 he was not concerned with the time between the specifications
24 and the bid award, but was asking why it took two months to
25 submit the specifications in the first place. Secretary Francke
26 said he would analyze the transaction and report back to the
27 committee.

28
29 Rep. Robbins said that when he toured the facility in August
30 he learned that some pipes had frozen in January and still
31 had not been repaired. He asked Secretary Francke to explain
32 why the repairs took so long. Mr. Bob Montoya from the depart-
33 ment responded, saying that what Rep. Robbins saw was a
34 ceiling in the industries building that has not been repaired,
35 adding that he was told by Bradbury Stamm Contractors that
36 the partition would be fixed when they re-entered the building
37 to perform the painting. The delay, he said, was encountered
38 because of claims difficulties with the insurer and because
39 Bradbury Stamm also delayed in performing the work. Mr.
40 Trujillo agreed to provide the committee with information
41 detailing reasons for the delay.

42
43 Mr. Lockwood commented that it is very difficult for a con-
44 tractor to perceive an emergency when a building has been
45 sitting there unoccupied for several months.

46
47 Rep. Robbins then asked if the south facility has been cleaned
48 up and whether the weeds still stand high. Secretary Francke
49 reported that the weeds have not been cut, but that the

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1 facility is occupied. Rep. Robbins suggested that inmates be
2 used to cut the weeds. Secretary Francke said this would be
3 done as soon as the temporary supervisory personnel is hired.

4
5 Sen. Eoff asked Mike Trujillo of the Property Control Divi-
6 sion for Mr. Hendley's title. Mr. Trujillo advised that
7 Mr. Hendley is state construction manager. In response to
8 a further question, Mr. Trujillo stated that Mr. Hendley
9 has held this position, off and on, since 1981, and at other
10 times has held the position of deputy director and acting
11 director of the Property Control Division. Sen. Eoff then
12 asked if a promotion or increase in salary has been received
13 by Mr. Hendley since September 9, 1983. Mr. Trujillo re-
14 ported that, other than cost-of-living increases, there have
15 been no promotions or pay raises.

16
17 Chairman Sandel thanked Mr. Lockwood for his presentation.
18 Mr. Lockwood commented that he wished Mr. Francke would tell
19 the press what he has been reporting to the LFC, that the
20 State has a facility of which it can be proud.

21
22 The committee recessed at 4:20 p.m., September 19, 1985.

23
24
25 o o o o o

26
27 The committee convened in executive session from 4:21 p.m.
28 until 7:45 p.m., at which time it recessed until 8:30 a.m.,
29 the following morning, September 20, 1985.

30
31
32 o o o o o

33
34
35 September 20, 1985

36
37 Chairman Sandel called the meeting to order at 8:40 a.m.,
38 September 20, 1985, with all members present except
39 Sen. Chavez, who was excused.

40
41 The committee met in executive session for staff briefings.

42
43
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1 The committee convened in regular session at 10:25 a.m.

2
3 Others Present: J. D. Ray, Robert W. Cooper, Bill Feather,
4 Marcos Ortiz, Carolyn Lindberg, Janet Peacock, Brian McDonald,
5 John Mugno, David Abbey, Donna Smith, J. S. Thorpe, Nima Ward,
6 James Compton, Gary Kilpatrick, David Staats, Albert Gallegos
7 and Taylor Hendrickson.

8
9 PUBLIC SCHOOL GROUP INSURANCE PROGRAM

10 Antonio Armijo, Consultant

11
12 Mr. Armijo told the committee that he is on loan to the State
13 from the Los Alamos National Laboratories for a two-year
14 period terminating in December, 1986, and that he appeared
15 in response to a request for information by the LFC on three
16 items.

17
18 Update on School District Group Insurance Authority.

19 Mr. Armijo reported that HB 620 creating the authority has
20 been implemented, a Board has been created, and the first
21 line of group insurance in the health area has been bid, with
22 the end result being that there is a net effect reduction
23 from current health insurance premiums from \$36.6 million
24 to \$32.5 million, a savings of \$4.1 million.

25
26 Mr. Armijo directed the committee's attention to a brochure
27 explaining the insurance benefits under the three plans
28 offered, and stressed that savings to the State will be
29 dependent on the plan selected by the school district.

30
31 The estimated savings is predicated on the middle plan,
32 Plan II, and, if selected, he said, once an employee has paid
33 \$500 out-of-pocket, the plan will pay 100 percent thereafter.
34 Once a two-party (employee and one dependent) or family
35 (employee plus two or more dependents) pays out \$1,000, the
36 plan will pay 100 percent. About 95 percent of the districts,
37 however, have selected Plan I, which has a slightly higher
38 monthly premium.

39
40 Under Plan I, once an employee has paid \$300 out of pocket,
41 which includes the yearly deductible, the plan will pay
42 100 percent; once a two-party or family employee pays \$600
43 out-of-pocket, the plan will pay 100 percent.

44
45 Any number of 100 percent features are offered, including
46 generic drugs, maternity one-day stays, preadmission testing,
47 home health care, hospices care, and heart, liver and lung
48 transplants. It also includes worldwide coverage for both
49 employees and retirees and expenses are paid according to

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1 reasonable and customary charges of the zip code where the
2 medical services are rendered.

3 Mr. Armijo informed the committee that there isn't an employer
4 in the State, public or private, including the Los Alamos
5 National Laboratories, that has a plan as generous as the
6 one embodied in Plan I, which the majority of the school dis-
7 tricts have selected. In essence, it provides to them a
8 plan unequalled on today's market at an overall reduced
9 premium.

10
11 Mr. Armijo next addressed the issue of participating school
12 districts, saying that under the provisions of HB 620 a waiver
13 of participation was allowed. The Authority met and ruled on
14 all applications for waiver approving them for the districts
15 of Farmington, Clovis, Portales and Dora. The Authority denied
16 the request from Albuquerque Public Schools. He added that
17 Farmington's waiver was granted not so much because of a lower
18 premium (Authority's premium was less than one percent lower),
19 but because the district had renewed its policy in July and
20 signed a total benefits contract, meaning that other benefits
21 are intertwined. To have denied the waiver request could have
22 resulted in loss of some benefits and relative premium in-
23 creases if selected benefits were retained. The Authority
24 felt this was not the intent of HB 620 to impact negatively
25 upon public schools, but rather to increase their coverage.

26
27 Mr. Armijo reported that Clovis, Portales and Dora did come
28 in with plans equal to the Authority's with lower premiums,
29 however, the lower premiums are derived through Horace Mann
30 because it doubles and triples the other lines of business
31 like life, disability, accidental death and dismemberment.
32 Mr. Armijo reported that he has this information on tape as
33 presented by the Horace Mann representative when interviews
34 were conducted with the five finalist carriers under considera-
35 tion for the Authority's plan. These districts were granted
36 the three-year waiver.

37
38 Turning to the issue of the Albuquerque Public Schools,
39 several hearings were held on the matter, and the Authority
40 finally decided on a 7-0 vote to deny the waiver for several
41 reasons: because the plan initially submitted to the Authority
42 was one of lesser benefits than indicated in the specifications;
43 a second plan submitted by the district was not identical and
44 was, again, of lesser benefits, with comparisons of the con-
45 ventionally insured rates and the minimum premium rates showing,
46 on both accounts, the Albuquerque plan was higher; and there
47 was no commitment from APS management that even if the waiver
48 was granted, that they intended to implement the identical
49 plan of benefits. Mr. Armijo added that out of all the 88 school
50

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1 districts, Albuquerque Public Schools probably had the worst
2 plan of benefits in terms of the highest deductibles and the
3 highest out-of-pocket loss to an employee. By way of illustra-
4 tion, he said that APS' stop loss of \$5,000 a year translates
5 to 20 percent, or \$1,000, to an employee plus their deductible
6 of \$175 means \$1,175. He asked the committee to contrast that
7 with the \$300 out-of-pocket liability in the Authority's
8 plan, ergo a difference of over \$700. And as the APS plan
9 relates to family, he said, it gets even more serious because
10 there is no family limit on deductibles provided in the plan.

11
12 Mr. Armijo illustrated further that if he worked at APS as a
13 custodian making \$10,000 a year, with five children, one would
14 multiply \$1,000 x 7 (family members), and take 20 percent of
15 that figure, which would be the out-of-pocket liability under
16 the APS plan, i.e., \$7,000 plus three deductibles of \$150
17 for a total at-risk over \$7,000 per year, contrasted with
18 the Authority's plan of a maximum of \$1,400 for the same size
19 family.

20
21 Albuquerque was one of the districts the Authority could not
22 guarantee a lower rate to for three reasons: (1) their plan
23 of benefits was so far less than other existing school dis-
24 tricts and far less than the Authority's plan; (2) for three
25 years APS has had a loss ratio of over 100 percent and is
26 in the red some \$250,000; and (3) some increased amount had
27 to be assessed for the substantial increase in benefits.

28
29 Other lines of business, Mr. Armijo said, will be coming in
30 and be bid out in areas such as dental, vision care, life,
31 disability, etc.

32
33 Mr. Armijo next discussed the matter of his continued service
34 to the State and several lawsuits which have been threatened
35 during the course of the project. He reported threats from the
36 Clovis district and the Albuquerque Public Schools, and because
37 he is an advisor to the State and not an employee, any suit
38 brought would have to be against the laboratory in order to
39 get to him. Mr. Armijo said it is already costing the lab
40 in the neighborhood of \$79,000 to make his services available
41 and he will have to consult with management there to see
42 whether the accrual of lawsuits is worth it.

43
44 Mr. Armijo then addressed a matter which he suspected may have
45 already reached members of the committee which involved
46 allegations that he is "on the take," "would like to design a
47 job for himself," "is in line for a big job with Prudential,"
48 and similar allegations. He reported to the committee that
49 the line of business involved here involves some \$32 million
50 which was accomplished without any commissions payable to
51
52

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1 any agents, subagents, brokers, or anyone else, Mr. Armijo
2 told the committee that he administers 39 insurance contracts
3 for LANL worth an estimated value of \$110 million and is in-
4 spected by the Inspector General, Department of Energy,
5 the State of California, the University of California,
6 LANL, and is also audited regularly, and in all the years
7 he has been there nothing has ever been found to be wrong.
8 Moreover, he is guided by DOE conflict of interest regula-
9 tions which prohibit employment with anyone who the employee
10 was instrumental in awarding a contract to for two years after
11 termination of employment, otherwise, they are subject to both
12 criminal and civil penalties.
13

14 Mr. Armijo said that the ensuing projects to be undertaken by
15 the Authority involve property and casualty, auto and fleet
16 insurance, workers compensation, bonds, civil rights liability
17 and other areas, and that he can guarantee that the allegations
18 will probably increase a hundred or a thousand fold because
19 many local brokers and agents deal in those lines of business.
20 Should the legislature decide to self-insure all its school
21 property and bid out the excess, Mr. Armijo said that a
22 30 to 50 percent savings on premiums now paid was not out of
23 line. He cautioned, however, that in taking such an action,
24 education money would be saved, but it would also create prob-
25 lems for a local broker and agent.
26

27 Mr. Armijo said he needed to know what the legislature's ob-
28 jective is, i.e., to assure profit for the local broker and
29 agent or to save money for public schools. He said a good
30 understanding was needed before he carried on after the first
31 of the year.
32

33 Mr. Armijo said he was proud of the work that has been done
34 thus far and commended the LFC analyst, Dr. Baca of the Office
35 of Education, and Albert Gallegos of Risk Management Division
36 for their cooperation in carrying out the project. He pointed
37 out that the \$4 million savings achieved thus far came about
38 without an appropriation attached to HB 620 and without spend-
39 ing any additional funds for work performed on the project.
40

41 Dr. Baca from the Office of Education reported that a survey
42 is underway to determine what the increases have been in various
43 lines of insurance over the last year; the data will be sub-
44 mitted to the LFC as soon as it is compiled. Dr. Baca advised
45 Sen. Eoff that regarding the requested study of how New Mexico's
46 benefits compare to others within the region; much informaion
47 has been compiled and it will soon be forthcoming. Dr. Baca
48 next advised that a Budget will be presented to LFC by next
49 Monday for the Authority, but noted that it has no revenue and
50 will not have any until such time as funds received are invested.
51
52

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1 Mr. Armijo presented a letter to the committee under date of
2 June 5, 1985 from the University of California, attesting
3 to a savings of \$9 million for the period January 1, 1984
4 through April 30, 1985, by changing its insurance program
5 to a minimum premium method (a concept explained to the com-
6 mittee by Mr. Armijo). Mr. Armijo estimated that by year
7 one of the public schools health program, the State will have
8 earned about \$400,000 in interest from its Health Plan Fund,
9 and by a conservative investment scheme about \$4.4 million
10 over the four-year period of the plan. The \$4.4 million,
11 which otherwise would have been a profit to any health in-
12 surance carrier, can then be used to help with future premium
13 increases, buy benefits, or to even lower premiums.

14
15 Rep. Robbins commented that he received several phone calls
16 from constituents in his district, and then asked Mr. Armijo
17 why Melrose and Texaco were not granted the waivers. He
18 replied that the Horace Mann bid for these two districts was
19 much higher than the Authority's, while the Clovis, Portales
20 and Dora bids from Horace Mann were lower than that of the
21 authority. Mr. Armijo explained that in the case of Melrose
22 and Texaco, Horace Mann does not double or triple their life
23 and disability premiums and provide them with a lower medical
24 health rate. He added that while the Clovis rate is lower than
25 the Authority's, it's actually being made up in other lines
26 of business. In short, the same rating strategy was not
27 extended to Melrose and Texaco.

28
29 In response to a question from Sen. Chandler, Mr. Armijo
30 stated that Melrose and Texaco could have received the same
31 waiver if they had come in with lower figures than the Authority.
32 Mr. Armijo assured Sen. Chandler that the districts were aware
33 of this and that he had extensive conversations with the super-
34 intendants of Clovis, the Business managers in Portales and
35 Dora, and observed that they were very cooperative, adding
36 that this has not been the situation with the Albuquerque
37 Public Schools. Mr. Armijo said he had sincerely enjoyed his
38 interaction with the smaller schools.

39
40 Sen. Chandler then asked Mr. Armijo if Clovis obtained a better
41 deal than Melrose. Mr. Armijo stated that he told the Horace
42 Mann representative that if the company was artificially lowering
43 the medical rate and doubling the rates on the other lines of
44 insurance, it's conceivable when the entire project is said
45 and done, that the total benefits package cost of the Authority
46 will be lower than the Horace Mann package, with which Horace
47 Mann agreed. Further discussion indicated that the Clovis
48 package may not work if the disability bid comes in at a much
49 higher rate than the Authority's, since the waiver for that
50 portion of the insurance would not be granted.

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1 In response to a question from Rep. Hobson, Mr. Armijo said
2 that the seven health carriers in New Mexico are Blue Cross-
3 Blue Shield, Travellers, Equitable, Metropolitan, DNA, and
4 Horace Mann,

5 In response to a further question from Rep. Hobson, Mr. Armijo
6 reported that the employees may see physicians of their
7 choice and the plan covers worldwide service.
8

9
10 Rep. Hobson asked if only one dental provider would be offered.
11 Mr. Armijo said the Indemnity Dental Plan would permit the
12 employees to see the dentist of their choice. Rep. Hobson
13 then commented that one of the "delivery providers" is Denta-
14 Care and asked if Mr. Armijo was familiar with the organiza-
15 tion. Mr. Armijo replied that at LANL the Indemnity Dental
16 Plan is offered and what is known as a pre-pay, adding that
17 one year EDS had the contract, and Denta-Care currently holds
18 the contract. If a pre-pay plan is selected by the employee,
19 only dentists participating in the program can be seen. In
20 response to a further question from Rep. Hobson, Mr. Armijo
21 said that premiums are generally less for pre-pays and HMOs.

22
23 Rep. Hobson then asked if Denta-Care was a plan being con-
24 sidered for adoption by the schools statewide. Mr. Armijo
25 reported that two Board members appeared before the Authority
26 and asked that it reconsider its decision to only offer an
27 indemnity plan; presentations were then made by the pre-paid
28 dental carriers as well as the N. M. Dental Association.
29 The individual from the dental association, a Dr. Gibbs,
30 told the Authority that it was not opposed to both plans being
31 offered and allowing the employee to choose, but they did not
32 want the Authority to offer only the pre-pays. With that,
33 the Authority reversed its position and decided to offer both
34 forms of dental insurance. Rep. Hobson asked if Denta-Care
35 would be the provider and Mr. Armijo said it would be handled
36 through a bid process by Risk Management Division of the
37 General Services Department.

38
39 Rep. Hobson then asked Mr. Armijo if he was well acquainted
40 with Elmer Garcia and Sammy Garcia who are connected with
41 the Denta-Care Plan, and Mr. Armijo said he was very acquainted
42 with them inasmuch as they are representatives for LANL.
43 Rep. Hobson stated he was told that they were more than friends,
44 and asked Mr. Armijo if he was in business with them at one
45 time, to which he responded that he has never been in business
46 with Sam and Elmer Garcia, nor with any other insurance company,
47 broker or agent. Mr. Armijo said he is not licensed and never
48 has been. Mr. Armijo went on to explain his position when
49 two different plans are competing for business, noting that
50 the medical community is not enchanted with the HMO concept,
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1 as the dental community is not enchanted with the concept of
2 the pre-pay. Mr. Armijo asked the committee to consider the
3 source when complaints of this nature are made, keeping in
4 mind that many of the complainants stand to lose thousands
5 in commissions. Mr. Armijo said he would not be offended
6 if any member of the legislature called him anytime they heard
7 rumors of this type, nor the laboratory, especially on the
8 issue of the dental community.

9
10 Mr. Armijo conceded that one can become friendly with local
11 brokers, but stated that in his business one has to be very
12 careful to at all times maintain an arm's length with these
13 people, because if one is truly going to take advantage of
14 the free enterprise system, there will come a day when their
15 package is not as competitive, and you have to award the busi-
16 ness to the one with the very best package and very best price.

17
18 Rep. Hobson expressed concern that the successful bidder be
19 able to service the business and cited examples when the
20 business offering the best price doesn't necessarily provide
21 the best service; Mr. Armijo said that out of ten ranking
22 elements used to select the insurer, service had the first
23 priority and Prudential was ranked first by everyone who voted.

24
25 Mr. Armijo then referred to the Retiree Health Plan which,
26 again, is unequalled in the State with a premium of \$35.04
27 per month; the plan is not only a supplement to Medicare,
28 but is virtually the same coverage provided to public school
29 employees and is available whether the retiree lives in or
30 out of the State.

31
32 In response to a question from Rep. Sanchez, Mr. Armijo said
33 the plan will apply to present and future retirees and be
34 available to participating school districts. He then ex-
35 plained how the premium will be collected with basic support
36 coming from the Educational Retirement Association. Retirees
37 will be notified of insurance meetings to be held at various
38 participating school districts around the state and there
39 be provided with an open enrollment package.

40
41 Mr. Armijo reported that requests have been received from 18
42 other educational institutions seeking to have the benefits
43 extend to them. The plan will be available to the retirees
44 of those institutions as well.

45
46 Chairman Sandel thanked Mr. Armijo for his presentation and
47 the positive work provided to the State.

48
49 One additional item was brought to the committee's attention
50 before Mr. Armijo departed having to do with recent legislation
51
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1 passed in Texas which groups all public sector retirees under
2 the same kind of format established in HB 620. A portion of
3 the employee's health plan was used to create a trust fund
4 from which Texas is now about to cover 30 percent of its
5 contribution to the health premiums. Mr. Armijo offered to
6 discuss a similar plan for use in New Mexico with the com-
7 mittee and said it would not require an appropriation to
8 accomplish this.

9
10 FALL BUDGET HEARING SCHEDULE

11 Director Phil Baca

12
13 The proposed Budget schedule for considering agency budgets
14 for FY 75 was considered by the committee, and upon motion
15 by Rep. Robbins, duly seconded by Rep. Hobson, the committee
16 unanimously approved the schedule as presented.

17
18 APPROVAL OF MINUTES: AUGUST 14-16, 1985

19
20 The minutes of this meeting having been duly considered, and
21 upon motion by Sen. Eoff, duly seconded by Rep. Robbins, the
22 committee unanimously approved the minutes of the August 14-
23 16, 1985 LFC meeting.

24
25 HIGHER EDUCATION CONTRACT APPROVAL

26
27 Upon motion by Sen. Chandler, duly seconded by Rep. Robbins,
28 the higher education consultant contract was awarded to
29 Dr. Becklin at the same hourly rate as contained in the
30 previous contract. The motion carried unanimously. Director
31 Baca advised that Dr. Becklin was the only person who sub-
32 mitted a response to the request for proposal.

33
34 CORRECTIONS' CONSENT DECREE: LFC ADVISOR

35
36 Sen. Morgan moved that because of the fiscal impact to the
37 State brought about by the consent decree, the LFC engage in-
38 dependent legal counsel to review and analyze the past cost
39 and future impact placed upon the State by the Duran v. Anaya
40 consent decree pending in the U.S. District Court, and
41 recommend to the committee what appropriate action, if any,
42 the committee should take with respect to the consent decree.
43 The motion was duly seconded by Rep. Otts, and unanimously
44 approved by the membership.

45
46 Sen. Chandler moved that the LFC request that the Corrections
47 Department not agree to anything beyond constitutional mandates
48 in negotiating the consent decree without first advising the
49 Legislative Finance Committee. The motion was seconded by
50 Sen. Eoff.

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1 Discussion followed wherein Chairman Sandel asked Sen. Chandler
2 if the purpose of the motion was to request that the LFC be
3 advised before any negotiations are finalized, and Sen. Chandler
4 clarified that he was referring to anything which would attempt
5 to exceed constitutional mandates.

6
7 A vote on the motion resulted in unanimous adoption.

8
9 ECONOMIC OUTLOOK

10
11 Analyst Ed Howard/Messrs. Mugno and McDonald

12
13 Analyst Howard introduced John F. Mugno, vice president of
14 Citibank's energy division, and Dr. Brian McDonald from the
15 University of New Mexico's Bureau of Economic Research. He
16 reported that Dr. McDonald would address the State's general
17 economic outlook, followed by Mr. Mugno who will talk speci-
18 fically on the energy sector.

19
20 McDonald Report. Dr. McDonald prefaced his slide presenta-
21 tion by saying that he would address the review and outlook
22 of the New Mexico economy and touch on the national economic
23 scene. Beginning with the national recovery in early 1983,
24 he displayed a graph of the U.S. Real GNP (gross national
25 product), which is the broadest measure of economic activity
26 at the national level, indicating a strong 6.8 percent growth
27 in 1984 (the strongest growth in the U.S. since the Korean
28 crisis), and an anemic drop to 1.0 percent in the first half
29 of 1985. This morning the Bureau received what is known as
30 a "blast" estimate of Real GNP for the third quarter of
31 2.8 percent which, he said, is not much of an increase in
32 economic activity.

33
34 The next table (U.S. Industrial Production Index) indicated
35 the growth rate of U.S. manufacturing, mining and utilities:
36 good performance in 1984, but since early 1985 the growth
37 has slowed to about the 2.0 percent level. Very weak produc-
38 tion levels exist at the national level.

39
40 Another table (Current Account Balance) indicated what is
41 occurring in the foreign trade area and depicts a negative
42 account balance (difference between imports and exports)
43 of goods at \$120 billion in the foreign trade deficit, which
44 accounts for the difference between domestic spending and
45 domestic production. In a related table (Trade Weighted Ex-
46 change Rate) he showed that the U.S. dollar has appreciated
47 almost 50 percent since 1980 making imports cheaper and U.S.
48 exports more expensive. He noted that the dollar has begun
49 to fall (10 percent since March), but said it is still above
50 the average for 1984.

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On the positive side, his next table (Interest Rates) indicated very sharp declines in interest rates since 1984, with short-term rates, as measured by 3-month Treasury Bill rates, dropping from 10.0 percent to 7.0 percent and long-term rates not falling quite as sharply. In a related table (Consumer Price Index) he showed that the inflation rate has essentially been growing at less than 4.0 percent for the last year in contrast with 14.0 and 15.0 percent levels back in the late '70s. He described this as "good" news.

Dr. McDonald then highlighted a couple of disturbing trends which bear on the outlook with two charts (Housing Starts and Personal Income Growth). He explained that the declining interest rates were widely expected to promote growth in the interest rate sensitive sectors, however, no benefit has yet been seen in the housing area, even in the August 1985 data just received by the Bureau. For the period November 1984 to July 1985, a sharp deceleration has occurred in personal income growth and it is now at 6.0 percent. If averaged for the first half of 1985, it is really only a little over 4.0 percent growth, whereas last year it was at 9.5 percent.

The next two tables (Retail Sales Data and Domestic Auto Sales) showed some slowing in the consumer area with retail sales activity falling off in July and August of 1985. This particularly shows up in the domestic auto sales and is no wonder that domestic auto manufacturers are offering special 7.7 percent financing. Dr. McDonald advised that they not only had to deal with the auto haulers' strike, but also with reduced sales and a need to clear out inventory. Even though auto sales have spiked up dramatically because of the special auto offers, the data is distorted because it may rob sales from late 1985 and early 1986, which, he stated, is not necessarily a good sign.

The outlook next presented was derived from Data Resources, Inc., a division of McGraw-Hill, whose assumptions are used by Dr. McDonald's agency in making state economy forecasts. The next two tables (Real GNP Growth Forecast and Consumer Price Index Forecast) plotted annual growth rates for Real GNP growth, showing a strong increase in 1984 and an anticipated below average growth for 1985 and 1986, with a slight recovery in 1987 which mainly comes from the effects of low interest rates and the positive effects of an international decline of the dollar at about 10.0 percent. This still is not a strong recovery, he noted. Consumer spending is expected to slow dramatically and little inflationary pressures are anticipated. Today, he reported, consumer savings rates are at an all time low, with the most recent August figures showing a savings rate of 2.8 percent compared with historic

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1 rates of 4.0 to 6.0 percent. To replenish savings, con-
2 sumers will cut back on consumption. He also reported
3 consumer debt at an all time high, and questioned whether
4 the consumer can continue to spend more than the growth of
5 income.

6 The next two tables (Interest Rate Forecast and Housing Starts),
7 also derived from Data Resources, Inc. data, indicated that
8 short-term interest rates will remain near current levels,
9 while long-term interest rates will continue to decline.
10 Because of low interest rates, the only sector expected to
11 have a very good couple of years is housing, falling somewhat
12 in 1987 as interest rates rise.
13

14 Dr. McDonald then addressed the New Mexico economy. The
15 first table (N.M. Total Nonagricultural Employment) traced
16 the annual growth rate compared to a year ago and indicated
17 a slowdown, with the employment growth in 1984 averaging
18 almost 5.0 percent. In the second quarter of 1985 this will
19 decline to an average of about 2.8 percent, with the most
20 recent July 1985 data showing a decline to 2.25 percent.
21 A particular weakness exists in the industrial sectors,
22 especially mining, with manufacturing employment in New Mexico
23 being basically flat, and construction employment declining.
24

25 The next table (New Mexico Personal Income) indicates a
26 following with the national trend on personal income growth
27 and stood at 6.8 percent for the first quarter of 1985
28 compared to all of last year when it was at 9.0 percent.
29 Dr. McDonald said this was of particular concern because it
30 is a major driver in terms of New Mexico's gross receipts
31 tax.
32

33 The next table (New Mexico Employment by Sector) depicted
34 annual growth rates comparing 1984 to the first half of
35 1985. It indicated a slow down in all major sectors.
36

37 The next table (N.M. & Albuquerque MSA Unemployment Rate)
38 showed that Albuquerque has continued to outpace growth in
39 other areas of the state which have not yet fully recovered
40 from the recession. Dr. McDonald explained that if Albu-
41 querre's unemployment rates are excluded from the figures,
42 New Mexico would have over a 10.0 percent unemployment rate.
43 With Albuquerque included, the rate changes to 8.0 percent.
44

45 The next table (R.N.M. & Albuquerque MSA Total Nonagricultural
46 Employment Growth) traces the growth rates between Albuquerque
47 and the rest of New Mexico. It indicates that Albuquerque is
48 outperforming by a large measure. In the second quarter the
49 Albuquerque area employment grew almost 5.0 percent; areas
50
51
52

1 outside of Albuquerque experienced only a 1.5 percent growth
2 rate. County data reflect that 22 of the 33 counties suf-
3 fered employment losses, meaning that only 11 counties had
4 any employment gains in July. Eight of the 11 were in the
5 Rio Grande valley. Outside of this area, Dr. McDonald
6 reported, New Mexico is really in a recession.

7
8 Turning to the next table (N.M. Total Nonagricultural Employ-
9 ment Forecast), after a good 1984 recovery at the state level,
10 state employment growth is expected to slow dramatically,
11 particularly in late 1985 and remain very weak through 1987.
12 New Mexico's income growth also subsides. The forecast shows
13 that the mining sector will continue to be weak, a decline
14 in oil prices to the \$23.50 level by 1987 with commensurate
15 employment declines here. He forecasted a continued weakening
16 in the manufacturing level with no recovery until 1987. A
17 booming forecast for construction in Albuquerque was predicted,
18 over 12.0 percent, but in areas outside of Albuquerque a fall
19 to 5.0 percent. Dr. McDonald noted that the boom has been
20 ongoing in Albuquerque for two and one-half years and this
21 will come to an end at the conclusion of 1985. Too many apart-
22 ments have been built and too much vacant office space exists.

23
24 The next table (N.M. Personal Income Forecast) forecasts
25 a drop from an 8.5 percent growth in 1984 to less than
26 6.0 percent in calendar 1985 and 1986, and about 6.5 percent
27 in 1987.

28
29 The last table (N.M. Sector Employment Growth Forecast)
30 provides growth forecasts by sector. In 1985, a little growth
31 is shown for manufacturing. Mining will have about a 4.0
32 percent decline. Construction will manage about a 3.0 percent
33 increase. In 1986, zero growth is shown for mining. Manu-
34 facturing begins to recover a bit. Construction will decline.
35 In 1987, the forecast indicates some acceleration in growth,
36 but less than 4.0 percent in all areas.

37
38 In 1985 the trade, services and government sectors are expected
39 to hold up fairly well, but in 1986 very little growth is ex-
40 pected due to the decline in personal income. Government is
41 expected to be weak at all levels.

42
43 Sen. Eoff asked how the low savings level in the U.S. compares
44 with other industrialized nations of the world. Dr. McDonald
45 advised that the U.S. has one of the lowest savings rate bases
46 in the industrialized world, adding that in Japan the rate is
47 up in the low teens. Sen. Eoff asked Dr. McDonald to elaborate
48 on the factors which affect savings trends, and he advised
49 that a standard economist's answer is temporal preferences --
50 to consume today or consume in the future -- and U.S. citizens
51 have easy access to credit for autos, goods, etc.

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1 In response to a request from Sen. Benavidez, Dr. McDonald
2 said he could get him a list of foreign investments in the
3 U.S. He reported that the U.S. has moved into a debtor's
4 status when the amount of assets held by the U.S. in other
5 countries is compared to financial assets held by other coun-
6 tries in the U.S.

7 Dr. McDonald stated that the high increase in foreign invest-
8 ment here is largely due to the attraction to the high interest
9 rates. Sen. Benavidez pointed out that interest rates have
10 dropped, which Dr. McDonald conceded, explaining that U.S.
11 rates are still higher than in foreign countries. General
12 discussion followed on this aspect of the presentation.
13

14 Mugno Report. Mr. Mugno had copies distributed of his slide
15 presentation, an article on the changes going on in the oil
16 business and the kind of business practices likely to take
17 place, and an article which addresses the short-term oil
18 market situation. Mr. Mugno's remarks were divided into two
19 parts: oil situation and the natural gas situation, noting
20 that a divergence is beginning to occur between these two
21 markets. He asked the committee to remember that there is
22 basically nothing anyone in New Mexico can do to affect the
23 price that oil is sold for in New Mexico; oil prices are set
24 on a world market.
25

26 Mr. Mugno provided information on how the overall market
27 is developing and advised that over the next 18 months
28 four important factors to be considered in the international
29 marketplace which are likely to affect the supply and demand
30 of oil and, in fact, the price of oil are: Iraqi pipelines,
31 OPEC refineries, slack demand and quota cheating. Each was
32 explained to the committee. He essentially said that production
33 from new Iraqi pipelines will create a market sharing situa-
34 tion with the OPEC group at a time when OPEC refineries are
35 stepping up their 1 to 1.5 million barrel per day production
36 capacity. This production will be sold on the spot market.
37 The slack demand for OPEC crude oil will be met by non-OPEC
38 producers meaning that OPEC will be hurting for revenues.
39 This will lead to increased competition which will then result
40 in cheating on the quota. Mr. Mugno reported that, despite
41 news reports, the quota cheating has really not been that
42 high when compared to the overall market and is somewhere in
43 the 3 to 4 percent area; however, that entire percentage
44 has been thrown back on Saudi Arabia which has experienced
45 a revenue drop over the past year from \$3.5 billion a month
46 to \$1.5 billion a month. The response from the Saudi Arabian
47 Kingdom has been to "net back deals," which, he reported, is
48 very threatening to world oil prices.
49
50
51
52

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1 Mr. Mugno advised that all this is occurring in a market
2 that is basically stagnant. These factors, he explained,
3 will be important over the next 18-month period. After
4 that period another set of factors will emerge. He em-
5 phasized that today's situation shows no sign of change
6 in the next five years and the basic question of "are prices
7 going to fall" will exist and persist because of the trem-
8 endous amount of spare capacity.

9
10 By way of example, Mr. Mugno referred to a chart reflecting
11 the world oil demand and output outside of communist areas
12 which indicated that OPEC produces a little above 15 million
13 barrels a day. However, OPEC has the ability to produce
14 closer to 25 million barrels a day. This results in
15 a 10 million barrel per day, or 20 percent of free world
16 demand, shut-in.

17
18 It is this tremendous availability of oil that seeps into
19 the market and weakens the prices, Mr. Mugno said. What
20 makes oil so different from other resources, he said, is
21 that the sales price of petroleum bears no particular re-
22 lation to the cost of producing it. The only reason prices
23 are where they are today, he reported, is because of Saudi
24 Arabia's willingness to keep that 10 million barrel per day
25 excess off the market. Otherwise, oil prices would fall to
26 the marginal cost of production.

27
28 Of the 45 million barrels of oil produced per day in the
29 world market, Mr. Mugno said, about perhaps half a million
30 are produced at the highest marginal cost of \$20 per barrel.
31 Perhaps a million and one-half barrels are produced at costs
32 in excess of \$12-\$15 per barrel. The bulk of the oil pro-
33 duced in the world today is at a production cost of less than
34 \$10 per barrel, and over half of that is produced at less
35 than \$5 per barrel.

36
37 Mr. Mugno then produced a chart showing the sharp decline
38 in oil revenues experienced by Saudi Arabia in the last few
39 years, from a high of \$111 billion in 1980 and 1981 to a
40 \$40-\$25 billion range in 1983 and 1984. It has been de-
41 pleting its surplus over this period of time, has no reason-
42 able expectation of adding to that surplus over the next five
43 years, and wants to "staunch that hemorrhage," Mr. Mugno said.

44
45 Since July of 1982, Saudi Arabia has been sending signals
46 to the other OPEC countries, which were ignored until July
47 of 1985 when King Fahd pronounced that the Kingdom had been
48 wrongfully denied its rightful share in OPEC production and
49 could not allow the situation to continue. The mechanism
50 put in place to obtain that "rightful share" was netback deals.
51
52

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1 Mr. Mugno described this method as one where Saudi Arabia
2 sells to the refiner, who refines the oil and then arranges
3 for sales. Saudi Arabia then assigns prices to what is
4 sold and calculates the barrel value and subtracts out
5 processing and transportation costs. Whatever is left,
6 or "netbacks" to the port of export, is what the Saudi's
7 will take. This price is now at \$25.50 a barrel for light
8 type crude oil and amounts to a \$1.50 discount per barrel.

9
10 Mr. Mugno advised that if Saudi Arabia sets no volume limits
11 on the netback deals, prices will fall to well below \$20 per
12 barrel which will completely collapse the marketplace.
13 Mr. Mugno predicted that the Saudis will not take this route
14 because they don't want the market to crash and because it
15 should be viewed as a continuum of steps that the Kingdom has
16 been taking since July of 1982. The netback volumes are being
17 set at around two to two and one-half million barrels a day.

18
19 Mr. Mugno opined that there is "no chance" the price per barrel
20 will rise above \$27 over the next 18 months, adding that all
21 the possibilities have to be at \$27 or lower. He suggested
22 that a reasonable assumption, with a two-thirds probability,
23 is the price will be on the order of \$25 for light type crude,
24 which is about 8 percent or so below today's market prices.
25 For the downside, Mr. Mugno said he is assigning a one-third
26 risk to some larger decline in the price of oil, bringing the
27 price to \$20 per barrel. He went into considerable discussion
28 explaining how this figure is arrived at.

29
30 In discussing the gas market, Mr. Mugno said that the past
31 two years have shown that the most important thing about
32 it has been marketing, and this holds true for the next two-
33 year period. He opined that marketing is absolutely the
34 key to selling gas and it takes on two dimensions: marketing
35 by the pipeline and marketing by the producer. In New Mexico,
36 marketing has been done almost entirely by the pipeline, he
37 said, and probably by November 1st, the marketing burden will
38 fall upon the producer as well.

39
40 The 1984 British coal strike drove residual fuel prices up
41 to very close to crude oil prices, which supports gas prices,
42 he explained. With the coal strike over, residual fuel
43 prices have dropped some \$7-\$8 per barrel, and this is being
44 reflected in the U.S. natural gas market.

45
46 Mr. Mugno stated that a sluggish drilling outlook, a shrinkage
47 of surplus deliverability, and Canada-at-the-gate factors
48 all contribute to the marginal gas price reductions. However,
49 another major factor impacts on gas prices: the Federal Energy
50 Regulatory Commission's notice of proposed rule-making which

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1 is expected to take effect sometime in November. The new
2 regulations encompass contract carriage, take-or-pay settle-
3 ments, expedited certification and block billing, which,
4 Mr. Mugno stated, will change the whole nature of the inter-
5 state pipeline. It forces pipelines to compete with each
6 other and it forces pipelines to carry gas for people who
7 negotiated their own deals, which results in a tremendous
8 opening of the marketplace to competition.

9
10 Block billing, Mr. Mugno said, is probably key to New Mexico,
11 and requires that the pipeline divide its gas into two cate-
12 gories of low cost gas and all other gas. In New Mexico
13 45 percent of its gas is low cost gas and selling for under
14 \$2/mcf. Block 3 gas is about 55 percent of the gas available
15 and it sells at a higher price than \$2.71, which is the
16 average price of gas in New Mexico. Under the new ruling.
17 Mr. Mugno explained, a customer will take all the low priced
18 gas first, resulting in a lower production of the higher priced
19 gas. Several illustrations of how this would work were pro-
20 vided by Mr. Mugno. He predicted a tremendous price war
21 among the Block 2 producers, who will now be competing against
22 each other to sell gas in the marketplace. Consequently, the
23 State is looking at less revenue from the gas industry be-
24 cause low cost gas is now 5/7ths of total production, about
25 two-thirds; and one-third of production is high cost gas,
26 which is coming down.

27
28 Mr. Mugno predicted a decline in gas prices, saying New Mexico
29 would be lucky if it went to just \$2.40 or \$2.50 per mcf and
30 it should expect a lower price than this.

31
32 Mr. Mugno then identified five danger signs the committee
33 should be aware of in the oil and gas markets: U.S. recession
34 and high interest rates; OPEC disarray and weak OPEC sales;
35 more competitive natural gas markets; petroleum product
36 imports and lower drilling and service activity.

37
38 Rep. Hobson asked Mr. Mugno what effect price reductions
39 in oil and gas would have on General Fund monies. Mr. Mugno
40 advised that if he was in Rep. Hobson's shoes, he would be
41 prepared for a 10 percent reduction in oil and gas prices
42 and have a contingency plan in the event it went to a 15 per-
43 cent reduction. A further question from Rep. Hobson clarified
44 that Mr. Mugno was talking about dollars.

45
46 Rep. Hobson then asked Analyst Howard if he had prepared a
47 summary reflecting what a drop to \$25 per barrel of oil and
48 \$2.45 per mcf of gas would do to the State's budget.
49 Mr. Howard advised that his information discloses that a
50 10 cent drop per mcf is about a \$9 million loss in General
51
52

1 Fund revenues and a \$1.00 reduction in the price of oil
2 is in the \$6 million range of General Fund revenues. Mr.
3 Howard added that this represents a revenue reduction of
4 \$12 million for oil and another \$30 million plus for gas,
5 for a total of \$45-\$50 million.
6

7 Mr. Howard added that if one takes the projected General
8 Fund recurring revenues from this year and increases them
9 just by the expected inflation rate for the next year,
10 which is 3½ percent, one is looking for an additional \$50
11 million that would be offset by this energy decrease. He
12 added that this estimate does not address potential drops
13 in production, noting that some of the higher cost wells
14 would be taken out of production if the price is dropped
15 from \$27 to \$24 a barrel.
16

17 In response to a further question from Rep. Hobson, Mr. Howard
18 stated that one-half of the revenues required for FY 74 are
19 "already in the bag," so to speak, and opined that the State
20 would not have a problem with oil prices until next January
21 or February. Mr. Howard said he was fairly comfortable with
22 the revenues for FY 74, but wanted to confer with DFA staff
23 about the remainder of the year, which he planned to do in
24 the next two weeks.
25

26 Rep. Hobson then asked for comments from DFA representatives
27 at the meeting and an unidentified DFA staff member said he
28 agreed with Mr. Howard's remarks.
29

30 General discussion followed reviewing facts and opinions
31 provided by Mr. Mugno. Chairman Sandel thanked both Mr. Mugno
32 and Dr. McDonald for their presentations.
33

34 Rep. Hobson asked Mr. Mugno how he viewed the effect of
35 reduced oil and gas prices on the world economy generally
36 and on international banking operations who finance these
37 industries. Mr. Mugno opined that it would be positive
38 for the world economy inasmuch as most people are consumers
39 and not producers. For a bank with overseas exposure, he
40 explained that there are 14 developing countries that account
41 for approximately 80 percent of borrowings from international
42 banks. Of those 14, 10 are net oil importers so they are all
43 better off; 2 are just about in balance on their exports and
44 imports of oil; and 2, Mexico and Indonesia, are basically
45 net oil exporters. In general, he opined, the international
46 portfolio of a bank would improve as well.
47

48 FALL BUDGET HEARINGS

49

50 Director Baca asked the membership to provide staff with at
51 least a week's notice if additional information is needed in
52

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1 preparation for budget hearings. He advised that a retyped
2 agenda of those meetings had been prepared and was being
3 distributed to the committee.
4

5 Director Baca also reported that a summary of the Touche
6 Ross report will be made available to the membership prior
7 to the October meeting for study and review.
8

9 All budget hearings will commence at 8:30 a.m., including
10 the first day's hearings, Director Baca said, which was
11 the only way to accommodate all matters requiring considera-
12 tion.
13

14 CORRECTIONS CONSENT DECREE: LFC ADVISOR
15

16 Sen. Morgan announced that an attorney familiar with the
17 scope of the consent decree was contacted and is available
18 to meet with the committee on September 24, 1985 at 10:00 a.m.
19 Sen. Morgan moved that due to the time limits imposed by the
20 court for a response to its recently entered order, that
21 a special meeting of the LFC be held on Tuesday, September 24,
22 1985, at 10:00 a.m. for the purpose of hearing from an attorney.
23 The motion was duly seconded by Sen. Chandler, and unanimously
24 carried on a voice vote.
25

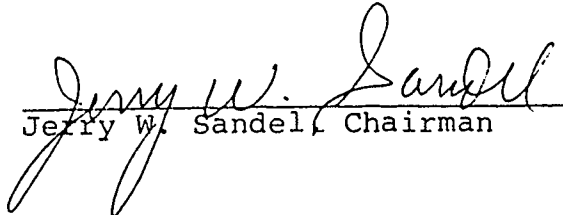
26 Several committee members asked for copies of the consent
27 decree to be made available at the special meeting.
28

29 TOUCHE ROSS REPORT
30

31 Members were advised that a briefing on the Touche Ross report
32 will be held around 7:30 p.m., October 8, 1985, before the
33 budget hearings begin.
34

35 Upon motion duly made, seconded, and unanimously carried,
36 the meeting was adjourned at approximately 1:10 p.m., at
37 which time the committee convened in executive session for
38 approximately five minutes.
39

40
41 APPROVED:

42
43
44
45 
46 Jerry W. Sandel, Chairman
47
48
49
50
51
52

10-10-85
Date

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FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 9/23/86

[redacted] Legislative Finance Committee,
State of New Mexico, Santa Fe, New Mexico, furnished five pages
of handwriting which [redacted] said is the handwriting of
EDWARD LEE HOWARD.

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Classified by G-3
Declassify on OADR

Interviewed on 9/23/86 at Santa Fe, New Mexico File # AQ65A-590-5066
by SA [redacted] /dtb Date dictated 9/23/86 476

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FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 10/14/86

Legislative Finance Committee,
State of New Mexico, State Capitol Building, Santa Fe, New Mexico
made available copies of the serials in the personnel file of
former employee EDWARD LEE HOWARD.

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~~Classified by G-3~~
~~Declassify on OADR~~

Investigation on 10/14/86 at Santa Fe, New Mexico File # AQ65A-590-Sub 48
by SA 72 /dtb Date dictated 10/14/86

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/15/85

[redacted] was apprised as to the nature of the interview, as well as the identities of the interviewing agents; after which, he provided the following voluntary information:

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Investigation on 10/10/85 at Santa Fe, New Mexico File # Albuquerque 65A-590
by SA [redacted] Classified by G-3 65A-590 (SUB 8)
SA [redacted] k/bla Declassify on: OADR 65A-590 (SUB 10) b6
Date dictated 10/11/85 b7C

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~~SECRET~~Continuation of FD-302 of , On 10/10/85, Page 2b6
b7Cb6
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was aware of numerous trips that HOWARD took on LFC-related business. The included trips to Boston in October, 1984; Farmington, New Mexico; a San Francisco conference on gas; several trips to Albuquerque; and a three-day trip throughout the southwest to include Mexico and El Paso, Texas.

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recalled HOWARD having made known his desire to take a trip at tax payers' expense, but HOWARD never mentioned a trip to Italy. understood was at tax payers' expense. HOWARD had also spoken of making a trip to Mexico to see an old friend from his State Department days; but to the best of knowledge, this trip never came to pass.

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~~SECRET~~Continuation of FD-302 of , On 10/10/85, Page 3b6
b7Cb6
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With regard to HOWARD'S alleged alcohol problem, noted that he had observed HOWARD intoxicated on more than one occasion; however, he had no reason to believe that he was a "booze hound" or that he had a problem with alcohol.

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Continuation of FD-302 of , On 10/10/85 , Page 4

[REDACTED] was also of the opinion that he did not find HOWARD'S drunken shooting incident to be out of the norm, given his (HOWARD'S) half-Hispanic background.

At no time was [] given to question HOWARD'S bonafides as a former State Department employee. It was his understanding that HOWARD was being prepared for assignment to Moscow, but resigned for family reasons. [] noted that it was not unusual for HOWARD to spice his office conversation with Russian phrases that he (HOWARD) had picked up during his State Department training. HOWARD never mentioned his associates from his State Department days, []

[redacted] was unaware of any other sources of income that HOWARD may have had during the time of their association.

As an aside, [] felt that HOWARD would be susceptible to blackmail, given his inordinate interest in pornography and prostitution. HOWARD told him that he had very numerous pieces of pornographic literature and had frequent contact with prostitutes during his time in the Peace Corps.

The following descriptive data was obtained by observation and interview:

Name:
Race/Sex:
Date of Birth:
Place of Birth:
Address:

Telephone:

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/10/85

[redacted] no telephone number, was interviewed at her place of employment, the Legislative Finance Committee (LFC) at the State Capitol Building, Santa Fe, New Mexico.

Prior to any questioning, [redacted] was advised she was being interviewed regarding EDWARD LEE HOWARD, who was employed as an Economic Analyst by the LFC from July, 1983, to September 22, 1985. [redacted] advised as follows:

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[redacted] described HOWARD as someone who is unable to share his experiences, whether good or bad, with someone else. HOWARD spoke about going into the mountains alone, which [redacted] described as foolish behavior indicative of a loner personality. She was given the impression that HOWARD usually camped in the mountains east of Taos and west of Chama.

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HOWARD never volunteered information about his employment with the State Department; however, when asked about same, he would say the next logical step would have been a transfer to Moscow, which is why he terminated his employment as he did not want his family to have to live in Moscow.

She does not know anyone outside the LFC who knows HOWARD. He sometimes spoke of being visited by a co-employee from his State Department days, but either he did not identify him by name; or he may have, and she cannot recall the individual's name.

HOWARD gave the impression that he was close to his wife's parents. He spoke of going hunting and fishing with his father-in-law.

[redacted]

Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-361 22
by SA [redacted] & [redacted] (oit)/fws/bla Date dictated 10/6/85

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~~SECRET~~Continuation of FD-302 of , On 10/1/85, Page 2b6
b7C HOWARD, in her opinion, seemed attached to his son.

Although HOWARD seldom spoke of any after-work hangouts, she was given the impression that his favorite restaurant was Molly's.

HOWARD also was close-mouthed about his travels, including weekend jaunts to nearby sites. He did, however, imply a fondness for one particular location, and that was Old Horse Springs, which is located on State Route 12 in southwest New Mexico. He also indicated that he had relatives in the area.

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FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 10/4/85

[redacted]
[redacted] was interviewed in the offices of the Legislative Finance Committee (LFC) of the Government of the State of New Mexico. [redacted] was advised that she was being interviewed in an effort to develop information that would assist the Federal Bureau of Investigation (FBI) in locating EDWARD LEE HOWARD, a former LFC employee.

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b7C

[redacted]
HOWARD never went out of his way to establish either a professional or personal relationship with [redacted] however, she did not find this to be unusual given the distance between their respective offices.

b6
b7C

[redacted] could not recall having overheard any personal conversations that HOWARD was a part to.

She was aware [redacted] that he had previously worked overseas with the Peace Corps.

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b7C~~SECRET~~

Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-101-182

by SA [redacted] LSK:mev Date dictated 10/1/85

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b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/10/85

[redacted] was interviewed at her place of employment, the Legislative Finance Committee (LFC) at the State Capitol Building, Santa Fe, New Mexico.

Prior to any questioning, [redacted] was advised she was being interviewed regarding EDWARD LEE HOWARD, who was employed as an Economic Analyst by the LFC from July, 1983, to September 22, 1985. [redacted] advised as follows:

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Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590 Sub C-116
by SA [redacted] (Detroit)/bla Date dictated 10/6/85

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/22/85

(LEAD 161)

[redacted]
was interviewed at Murphy's Law Restaurant, Cerrillos and Cordova Roads, Santa Fe, New Mexico. Prior to any questioning, [redacted] was advised he was being interviewed regarding EDWARD HOWARD who was employed as a budget analyst by the Legislative Finance Committee (LFC) for the State of New Mexico.

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b7C

[redacted]
[redacted] when HOWARD was employed as a budget analyst. Because of their (LFC) relationship, they engaged in numerous conversations, but these conversations were always work related.

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[redacted] characterized HOWARD as very competent professionally and quiet personally. HOWARD never discussed his friends or his travels with [redacted]

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Investigation on 10/16/85 at Santa Fe, New Mexico File # 65A-590 - Sub 6-261
by SA [redacted] rjc Date dictated 10/17/85

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/10/85

[redacted]
[redacted] was interviewed at her place of employment, the Legislative Finance Committee (LFC) at the State Capitol Building, Santa Fe, New Mexico.

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b7C

Prior to any questioning, [redacted] was advised she was being interviewed regarding EDWARD LEE HOWARD, who was employed as an Economic Analyst by the LFC from July, 1983, to September 22, 1985. [redacted] advised as follows:

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HOWARD always spoke of having been employed by the State Department in Washington, D.C., and his desire to return to New Mexico. HOWARD, however, never talked of friends or places he liked. [redacted] was unable to identify any friends and/or associates of HOWARD other than those employed by the LFC.

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[redacted] recalled a brief conversation she had with HOWARD after he returned from a trip to San Francisco and was aware that the Federal Bureau of Investigation agents wanted to talk to him. She described him as very nervous and preoccupied during their brief conversation and that he did not elaborate on why he thought the Federal Bureau of Investigation agents wanted to talk to him.

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Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-Sub C-238

by SA [redacted] (Detroit)/bla Date dictated 10/6/85

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10-10-85

[redacted] LEGISLATIVE FINANCE COMMITTEE (LFC), State Capitol Building, Santa Fe, was advised of the identity of the Interviewing Agent and thereafter provided the following information:

b6
b7C

[redacted]
He was employed in the above position and was acquainted with EDWARD LEE HOWARD during the entire employment of HOWARD'S in his LFC employment. He described their relationship as cordial only and stated that they had never entertained each other on a social basis.

He described HOWARD as efficient and effective in his job on legislative matters. He knew him to be a proud father of his two year old son and always spoke favorably regarding his wife. [redacted] never had any knowledge of any potential marital problems. He knew that HOWARD was designing a remodeling project for the addition of a sun room to their residence.

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b7C

[redacted] described business trips, taken by HOWARD in behalf of the LFC, as follows:

1. In September, 1985, he traveled to San Francisco to attend an Energy Seminar, which was believed to have occurred over two days. It was believed that he traveled [redacted]
[redacted]

2. On an unrecalled date in 1984, he attended an Economics Conference in Boston, Massachusetts, and traveled [redacted]

b6
b7C

3. In the Fall of 1984, he traveled to Washington, D. C., to attend a Revenue Estimating Conference.

[redacted] advised there were numerous other trips, including one possibly to Germany, but he claimed no knowledge of further details. He had no information concerning any travel to Mexico by HOWARD or any acquaintances there.

Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-509-Sub L-241
by SA [redacted] nma 1161 Date dictated 10/2/85

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b7C~~SECRET~~

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AQ 65A-509

Continuation of FD-302 of , On 10-1-85, Page 2

The only other countries visited by HOWARD, known to was Peru, while HOWARD was in the Peace Corp. HOWARD had openly discussed prior employment with the State Department and advised he had taken numerous language courses for Russian. He advised the office staff that he had terminated his own employment with the State Department because they intended to place him in Moscow, but he felt that was an unsuitable place to keep his family.

The only outside interests known for HOWARD, was his apparent love for hiking and camping. It was noted that last spring, he purchased a radio controlled airplane and was at least temporarily interested in that.

was unable to provide any other information concerning HOWARD'S present location.

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11 C 2

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/17/85

[redacted]
[redacted] was advised of the identities of the interviewing agents, and the nature of the interview, after which she furnished the following information:

She has been acquainted in the past with EDWARD HOWARD

[redacted]

[redacted]

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b7C

Investigation on 10/15/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-Sub 6-74
by SA [redacted] SRF:mev ~~SECRET~~ Date dictated 10/16/85

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AQ 65A-590

Continuation of FD-302 of , On 10/15/85, Page 2b6
b7C

She stated all of her conversations and associations with HOWARD were entirely professional. She never had occasion to discuss any personal matters with him or visit with him on a social basis. She knew nothing regarding his travels, domestic or foreign, and was unable to provide any further information of value concerning his activities or current whereabouts.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/27/85

This communication is classified "~~SECRET~~" in its entirety.

[redacted]
telephonically contacted the Santa Fe Resident Agency of the Federal Bureau of Investigation (FBI). He advised that in regards to the interview of himself on September 24, 1985, he had thought of a few more details regarding EDWARD LEE HOWARD.

[redacted]

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~~SECRET~~
Classified by G.S.
Declassify on OADR

Investigation on 9/25/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-Sub 1
by SA [redacted] tb/bla Date dictated 9/26/85

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/27/85

[redacted] was contacted at his residence at number [redacted] telephone number, [redacted] was advised of the personal as well as official identity of the interviewing agent, and that the interview concerned EDWARD LEE HOWARD.

[redacted]

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[redacted] stated he became familiar with HOWARD when they were employed together at the Legislative Finance Committee for the State of New Mexico, in Santa Fe, New Mexico. [redacted] recalled that on occasions HOWARD would become intoxicated and stated that he worked for the CIA, when they met socially. HOWARD also stated that he had a ham radio, and had recently bought a police scanner, and believed it was about one month ago. He recalled that HOWARD wanted to get the FBI frequency for his scanner. [redacted] stated that he never saw the ham radio or the scanner, however, he did observe several line antennas, which were run around the back side of the house.

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HOWARD expressed a desire to know how to operate a drone airplane, in which he could take aerial photographs. [redacted] recalled that HOWARD was possibly involved with a local model aircraft club.

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[redacted] emphasized that he was very skeptical of HOWARD'S claims, and noted that HOWARD traveled a lot for the Legislative Finance Committee. He recalled that HOWARD usually planned the trips himself.

HOWARD was the first person in the Legislative Finance Committee to get a modem in his office, which he supposedly used for economic forecasting. HOWARD also had a personal computer, and display screen in his office, which were attached to the

Investigation on 9/24/85 at [redacted] File # Albuquerque 65A-590 sub-24
by SA [redacted] E/sjh Classified by G-3
SA [redacted] Declassify on: OADR dictated 9/27/85

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AQ 65A-590

Continuation of FD-302 of [REDACTED], On 9/24/85, Page 2

main state computers. [REDACTED] recalled that HOWARD recently made a trip to Mexico to see some friends down there. He advised HOWARD also gets catalogues, which have "spy-type" equipment, including different types of weapons. [REDACTED] stated that HOWARD has a gun dealer's license, and may have bought some shot guns for an acquaintance by the name of [REDACTED]

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[REDACTED] recalled that on one occasion, HOWARD came into the office with some dissolving paper, [REDACTED] HOWARD stated he had gotten the paper from a friend of his who works at the state department. [REDACTED] recalled that HOWARD had several sheets of the paper.

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[REDACTED] recalled that HOWARD talked a lot of Russian and wrote it a lot. HOWARD stated that he had learned the Russian from being in the Foreign Service.

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[REDACTED] advised that HOWARD had recently been taking Dalmain prescription drugs. He advised HOWARD as being very nervous, and also as being sometimes "weird".

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AQ 65A-590

Continuation of FD-302 of [REDACTED] . On 9/24/85 . Page 3

[REDACTED] recalled that HOWARD had brought cigars and gifts, which HOWARD stated had been sent to him from Holland. [REDACTED] which he stated were Cuban, and the cigars were tied with a red ribbon. HOWARD would state that the gifts were brought also by friends, who stayed with HOWARD.

HOWARD went to the gun range to practice frequently, before he got into trouble with local law enforcement. HOWARD stated he had night scopes and silencers. [REDACTED] stated he learned about the night scopes and silencers, when he talked to HOWARD about the coyote problem at El Dorado. [REDACTED] emphasized that he never did see these night scopes or silencers.

[REDACTED] see handguns, which HOWARD had, and included a .357 magnum long barrel revolver and a 45 automatic, in addition to a .44 magnum revolver.

[REDACTED]

[REDACTED] recalled that HOWARD had shown him his diplomatic passport, and he talked about how easily he could get out of the country. HOWARD stated that his bags would never be checked. HOWARD often talked about how well trained he was.

[REDACTED] related that HOWARD had told him that he had recently talked to Agent [REDACTED] of the FBI, [REDACTED]

[REDACTED]

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AQ 65A-590

Continuation of FD-302 of [REDACTED] , On 9/24/85 , Page 4

[REDACTED] related that HOWARD was very interested in the recent spy scandals that appeared in the news media. He recalled that HOWARD recently bought a very expensive life insurance policy and a zero coupon bond [REDACTED].

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[REDACTED] stated that he heard that the last person to see ED HOWARD on Saturday, September 21, 1985, was [REDACTED]

[REDACTED] He advised [REDACTED] is a fellow employee at the Legislative Finance Committee.

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[REDACTED] He advised HOWARD seemed to have extra money most of the time, and played the stock market. HOWARD also recently started an addition to his house.

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HOWARD related to [REDACTED] that he had left the Foreign Service, as HOWARD was being transferred to the Soviet Union, and he didn't want to have their child born in Russia. However, recently HOWARD had indicated that he would like to go to the Soviet Union.

[REDACTED] with HOWARD, HOWARD related that he had briefly taken a state sponsored trip to Dallas, at which time he extended his time and traveled to Mexico City to "See a friend". [REDACTED] recalled that the trip was possibly during May or June, 1984, and was probably in violation of HOWARD'S parole restrictions.

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AQ 65A-590

Continuation of FD-302 of [REDACTED], On 9/24/85, Page 5

[REDACTED] related that HOWARD had a bad drinking problem, which had picked up recently. [REDACTED] he was very intoxicated, although the only thing [REDACTED] ever saw him drink was beer. He advised HOWARD had gotten into a jogging kick, the last eight to ten months.

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HOWARD related to [REDACTED] that he listened to Russian frequencies on his radio. He stated that he could also talk on his radio. [REDACTED]

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[REDACTED] related that ED HOWARD spent a lot of time at "POST TIME RESTAURANT", located at the TOWNHOUSE MOTEL, and also at MOLLY'S BAR, which is across from FURROW'S HARDWARE STORE. He recalled that HOWARD drank "ST. PAULI GIRL" beer. He also recalled that HOWARD would take one days sick leave a week from work, and would go fishing or stay home and view his VCR.

HOWARD related to [REDACTED] that he held certain security clearances and had access to classified documents. He also claimed to have guns hidden at his home, possibly built into the spaces in the house.

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[REDACTED] related that HOWARD, in his opinion fantasized a lot. HOWARD stated he was an expert in knife throwing, shooting, and on one occasion was going to order razor ribbon to put around his house.

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[REDACTED] She advised that HOWARD had a lot of friends who were with the Peace Corp in Costa Rica. She advised that HOWARD, was in her opinion, a "bullshitter", who was into pornography and violence. She advised on occasions,

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AQ 65A-590

Continuation of FD-302 of [REDACTED], On 9/24/85, Page 6

[REDACTED]

She advised that HOWARD speaks fluent Spanish, some French, German, and Russian.

[REDACTED] recalled that on one occasion, when ED HOWARD was drunk, he said he had been booted out of the CIA, as he was tested to see if he could steal some documents, then he was polygraphed, and failed to pass the test. HOWARD stated he couldn't pass the test, as he was too honest.

[REDACTED]

[REDACTED] made available a memo from the Legislative Finance Committee, which had been passed out on July 25, 1985, with information regarding the manufacturing of an improvised thermite grenade, which he believed ED HOWARD to have passed around to the staff as a joke.

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/4/85

[redacted] was apprised as to the nature of the interview, as well as the identity of the interviewing agent, after which he provided the following information:

He has known EDWARD LEE HOWARD [redacted] with most of his contacts being on strictly a professional basis. [redacted]

HOWARD told him that he had grown up in Reserve, New Mexico, had worked for THE DEPARTMENT OF STATE in Washington, D.C., and had come to Santa Fe looking for employment. HOWARD indicated he had resigned the position with THE DEPARTMENT OF STATE as he was given an overseas assignment that did not satisfy him.

HOWARD spoke little of his personal life but did talk about guns, stating that he had one. He spoke also of his enthusiasm for remote controlled model airplanes, and seemed quite knowledgeable on investments, stating that he had made some money, but had also lost money.

He did not know of HOWARD ever having any problems until, about a year ago, he was involved in a shooting incident in Santa Fe, in which he pulled a weapon on two men, discharging his weapon in the process. He was charged with a felony as a result of the incident. HOWARD indicated that he had a gun license and was concerned about having it revoked because of the charges against him.

[redacted]

Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590
by SA [redacted] DPW:mev Date dictated 10/1/85

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AQ 65A-590

Continuation of FD-302 of , On 10/1/85, Page 2

Following identifying data of was obtained by observation and interview:

Name:
Sex:
Race:
Date of Birth:
Place of Birth:
Employment:

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10/11/85

On October 2, 1985, []

[] was interviewed at his place of employment. [] was advised of the identity of the interviewing Special Agents and that the nature of the interview concerned the whereabouts and activities of EDWARD LEE HOWARD, one of [] co-employees. Thereafter, [] provided the following information:

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[] advised that when EDWARD LEE HOWARD first came to work as a Legislative Financial Analyst, for the State of New Mexico, [] was interested in HOWARD'S State Department past. HOWARD had told [] that his last employment had been with the State Department. HOWARD further told [] that before his State Department employment, he worked with an International Economic Agency, and before that with the Peace Corps. HOWARD explained to [] that he had been slated for an assignment to Moscow but because he had a new child, HOWARD wanted to "put some roots down", and therefore, came to live in his home state.

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[] advised that in retrospect he thought it was peculiar that HOWARD kept a Russian/English dictionary in his office. [] also found it peculiar that "more than once" he saw HOWARD out in the hallway using a public telephone. [] explained that at first, this action struck [] as diligent because state employees are not supposed to use their office telephone for personal business. However, [] explained that almost everyone working at the roundhouse ignores this rule. [] was unable to be specific, but advised that the last time he saw HOWARD using the hallway pay telephone, was some time around May of 1985. [] stated that while he could recall only two times when he saw HOWARD socially outside of the office environment: []

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[] stated that HOWARD would go on hunting trips in the Bosque, and had bought a jeep for his outdoor excursions. [] understood from conversations with HOWARD, that HOWARD owned some firearms, including a shotgun, and "more than one" handgun. [] advised that HOWARD often talked

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Investigation on 10/2/85 at Santa Fe, New Mexico File # Albuquerque 65A-590
by SA [] & SA [] Date dictated 10/6/85

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Declassify on: OADR

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Continuation of FD-302 of [REDACTED], On 10/11/85, Page 2

about camping in the Pecos Valley, New Mexico, and often mentioned a cabin that the family stayed at in the Eldorado wilderness, New Mexico. In [REDACTED] opinion, HOWARD never indicated that he was a serious backpacker. When asked whether he might have some idea where HOWARD was, [REDACTED] advised that he has speculated about a HOWARD family ranch in southwest New Mexico, where HOWARD stated that he was raised. [REDACTED] advised that he has never been to this ranch.

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[REDACTED] advised that approximately the same time that HOWARD was charged in Santa Fe, with assault, he had been out at a local firing range practicing with a handgun. [REDACTED] advised that he never felt confident that HOWARD had told him the complete and correct story regarding this assault charge against HOWARD. HOWARD'S version of the story to [REDACTED] went something as follows:

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HOWARD advised that some "cowboy types" hassled and beat HOWARD, kicking the door of the jeep HOWARD was driving, somewhere in downtown Santa Fe. HOWARD at first began to drive home, and then told [REDACTED] that the incident angered him, and, therefore, went back into town, observed the vehicle driven by his attackers and followed them home. Upon arrival at the attackers residence, HOWARD got out of the jeep and approached their car in order to get their license plate. Two of his attackers approached him from the front, and one or more circled around behind him. At this point, HOWARD explained that he pulled out one of his revolvers and attempted to go back toward his car to escape. One of his attackers allegedly hit him with a steel pipe, and HOWARD was also beat by the other individuals present. HOWARD explained [REDACTED] that sometime during this scuffle, his handgun discharged and hit his assailant's pick-up truck.

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[REDACTED] advised that HOWARD made it sound as if he had sold all his firearms, at least the handgun used in the above described incident. [REDACTED] was not aware of any incidents in which HOWARD sold other weapons, nor did he know that HOWARD had a federal firearms license. Consequently, HOWARD never offered to sell/buy [REDACTED] weapons with his license.

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[REDACTED] HOWARD had approximately two to three conversations regarding survivalist/paramilitary type training. One of these conversations occurred approximately one month ago when HOWARD pointed out an article in the Wall Street

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Continuation of FD-302 of _____, On 10/11/85, Page 3

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Journal about an individual in Georgia, who taught a mercenary type school. _____ remembered that the students at the school were required to withstand both physical and emotional stress, and described these students as "business types" interested in self-protection. _____ advised that HOWARD pointed this article out to him because they have discussed the problems of starting a survivalist type school; for example the economics involved. HOWARD never indicated to _____ that he had placed a cash of food anywhere in the state.

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_____ HOWARD mentioned to _____ that he was thinking of quitting work with the New Mexico State Government in approximately two to three years and starting a school for businessman doing work over seas. This school would teach legitimate anti-terrorist techniques and executive protection. _____ HOWARD'S ideas included techniques to avoid and survive a kidnapping. HOWARD talked _____ about constructing a scenario to this effect. HOWARD indicated or implied a "certain amount" of training with the State Department in this regard.

_____ advised that HOWARD never talked about his foreign travel, and "maybe" HOWARD _____ took a brief trip to Mexico, _____ was not sure. HOWARD never mentioned anything about his passport.

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Sometime during the summer of 1985, HOWARD asked _____ whether the phone company had to tell you whether your phone was tapped.

_____ stated that he jokingly asked HOWARD whether he felt that his phone was tapped. HOWARD responded in the negative, and explained that he said that he had some indirect interest, or merely a casual passing interest. Sometime later, _____

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_____ and relayed HOWARD'S question. _____ responded that in his opinion, the phone company had an obligation to keep a court ordered tap secret. _____ passed this information back to HOWARD. HOWARD was also curious about

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~~SECRET~~Continuation of FD-302 of _____, On 10/11/85, Page 4

the phone company's civil liability for such an invasion.

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_____ advised that HOWARD had indicated to him that he had been offered other jobs, but turned them down. HOWARD expressed the desire to stay with the New Mexico State Government "for now". _____ did not know where these other job offers came from.

_____ stated that he had noticed some change in HOWARD'S character since approximately August of 1985. _____ could not put his finger on any specific date, but felt that during his last couple of weeks with the Legislative Finance Department, HOWARD acted "very preoccupied", "too busy to talk," more brooding than usual. On the day that HOWARD left his job, Friday, September 20, 1985, HOWARD seemed _____ to be "very pressed". That afternoon, the Legislative Finance Committee had a meeting on the afternoon of the 20th. At approximately 1:15 p.m., to 1:30 p.m. _____ observed HOWARD run down the hall adjacent to the Finance offices. HOWARD stated that he was late for a doctor's appointment, and took leave for the afternoon. After, _____ discovered that HOWARD had resigned, on Wednesday, September 25, 1985,

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_____ stated that he will call the FBI if he hears anything about the whereabouts of EDWARD. Finally, _____ advised that EDWARD is acquainted with one, _____

_____ and that EDWARD HOWARD had implied that he had been there. _____ stated that otherwise, HOWARD had not been close to any other co-workers, and had no "close ties" with anyone that _____ knew. It seemed to _____ that all of HOWARD'S close friends were in HOWARD'S past.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/6/85

THIS COMMUNICATION IS CLASSIFIED ~~SECRET~~
IN ITS ENTIRETY.

[] Legislative Finance Committee, State Capitol
Building, Santa Fe, New Mexico, telephone number (505) 984-9550,
advised that []

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~~Classified by: G-3~~
~~Declassify on: OADR~~

Investigation on 12/3/85 at Santa Fe, New Mexico File # AQ 65A-590 50.1 -334
by SA []¹⁷² S Date dictated 12/3/85

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10-18-85

[redacted]
[redacted] State Capitol, Santa Fe, New Mexico,
was advised of the identity of the Interviewing Agents and
the nature of the interview, after which she furnished the
following information:

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[redacted] is a resident at [redacted]
[redacted]
[redacted] She has been employed in [redacted]
[redacted]

In her capacity in this position, she has been
acquainted with EDWARD L. HOWARD since he began employment
with the Legislative Finance Committee with the state
government in July, 1983. Both held mutual interests
[redacted]

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Their relationship was purely on a professional
basis. She denied ever having met him for any occasion in
a social setting and denied ever meeting his wife.

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Investigation on 10-10-85 at Santa Fe, New Mexico File # Albuquerque 65A-590-Sub 1-141
by SA [redacted] & /mma Date dictated 10-13-85

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AQ 65A-590

Continuation of interview of [REDACTED]

Page 4

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[REDACTED] learned from HOWARD that he had been previously employed with the United States Department. The State Department intended to transfer him for assignment to Moscow, USSR, but he stated he was concerned that that was no place to raise a family and turned down the assignment. At no time did he ever make any mention of employment with the Central Intelligence Agency. She stated that he definitely showed dissatisfaction to her in conversation that he was unable to accept the Moscow assignment. He advised that in preparation for this assignment, he had been schooled by the State Department in an intensive language course in the Russian language.

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At an unspecified time, he had also been employed with the Peace Corps in South America, but no specific countries were identified.

[REDACTED]
[REDACTED] She described HOWARD as friendly, competent, and resourceful. He definitely gave the impression to her that he was well traveled. She felt that he also was respected for his employment with the State in having the ability to bring in good analysts for economic forecasting from nationally known banking institutions. She never was given any indication that he was anything more than a social drinker or a womanizer. Speculation was offered, however,

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AQ 65A-590

Continuation of FD-302 of [REDACTED], On 10-10-85, Page 5 b6 b7C

at the time he was charged with assault in Santa Fe, that drinking could have been a part of the problem.

On one occasion, she saw HOWARD with several stitches on his face and he offered the explanation that he had been hit by a revolving door. She recalls that she had humorously asked him if he did not know how to go through a door and he responded that there are none in Santa Fe.

[REDACTED]

HOWARD was identified as being a member of a local model airplane club [REDACTED]
[REDACTED] HOWARD knew very little about radio controlled airplanes [REDACTED]
[REDACTED]

[REDACTED] was unable to furnish any other information concerning her past association with HOWARD or his present whereabouts.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/10/85

[redacted]
[redacted] was interviewed at her place of employment, the Legislative Finance Committee (LFC) at the State Capitol Building, Santa Fe, New Mexico.

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Prior to any questioning, [redacted] was advised she was being interviewed regarding EDWARD LEE HOWARD, who was employed as an Economic Analyst by the LFC from July, 1983, to September 22, 1985. [redacted] advised as follows:

[redacted]

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She does not recall meeting [redacted]
[redacted] on several occasions when EDWARD HOWARD brought him to the LFC office. HOWARD, in her opinion, seemed to be very fond of his son.

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She does not know of any LFC associates whom she would categorize as close friends with HOWARD.

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Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-Sub 1
by SA [redacted] (Detroit)/bla Date dictated 10/6/85

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10/13/85b6
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[redacted]
[redacted] was advised the identity of the interviewing agents and the nature of the interview, after which she furnished the following information:

[redacted] has been acquainted with EDWARD LEE HOWARD on a professional basis [redacted]
[redacted]

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[redacted] was unable to provide any information concerning HOWARD'S personal life-style or drinking habits. Likewise, she had no information concerning his current whereabouts. She had never been socially involved with HOWARD or been in receipt of information concerning anything about him.

[redacted]

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Investigation on 10/8/85 at Santa Fe, New Mexico File # Albuquerque, 65A-590-2061-242

by SA [redacted] Date dictated 10/8/85
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~~SECRET~~Continuation of FD-302 of , On 10/13/85 , Page 2b6
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She was unable to furnish any information concerning his current whereabouts or suggest any individual for interview concerning this matter.

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10-10-85

[redacted]
LEGISLATIVE FINANCE COMMITTEE (LFC), State Capitol Building,
Santa Fe, New Mexico, was advised of the identity of the
Interviewing Agent and thereafter furnished the following
information:

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[redacted]
At no time did she ever experience any social
relationship with him, nor see him out of the office. [redacted]
claimed never to have seen [redacted] nor to have heard
him speak about his family.

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[redacted]
[redacted] knew nothing of HOWARD'S personal life and
reiterated that their relationship had only been professional.

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Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-509-101 (6-24)
by SA [redacted] mma Date dictated 10/2/85

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10-25-85b6
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 Prior to any questioning, was advised that she was being interviewed regarding EDWARD HOWARD, who worked for the Legislative Finance Committee (LFC) of the state of New Mexico.

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Investigation on 10-15-85 at Santa Fe, New Mexico File # Albuquerque 65A-590 - 14
by SA fws/mma Date dictated 10-18-85

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AQ 65A-590

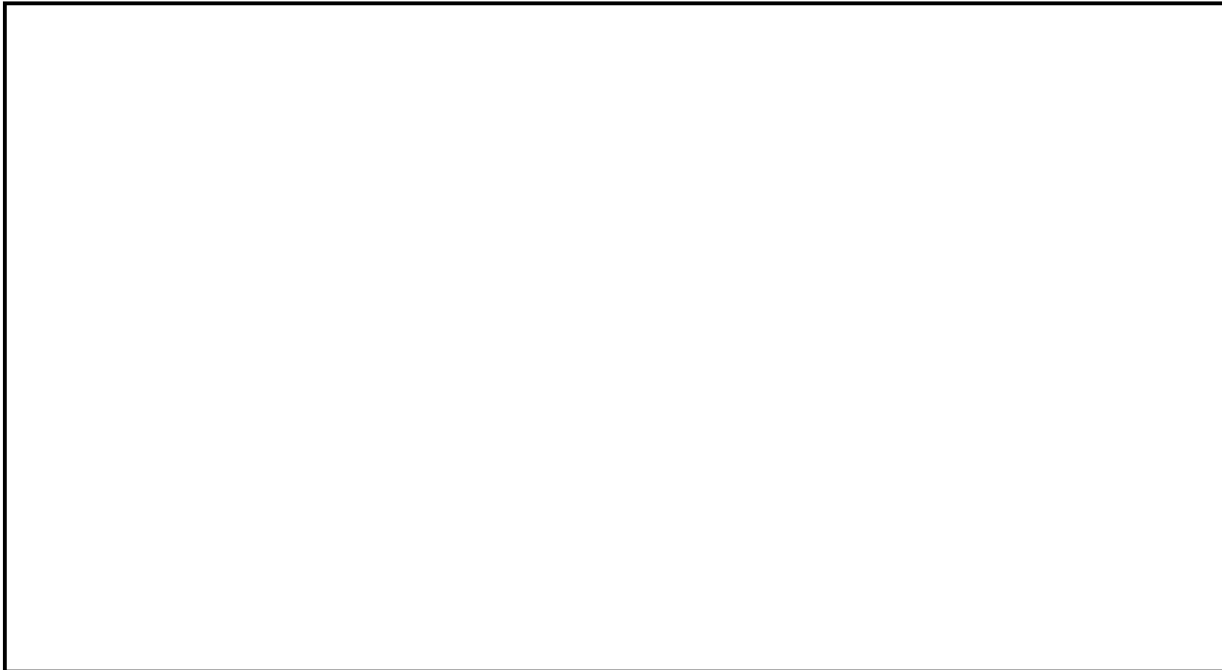
10-15-85

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Continuation of FD-302 of _____

. On _____

, Page _____

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_____ characterized HOWARD as quiet and one who never discussed his personal life with anyone who she knows.



HOWARD saw his role more as a liaison official between TRD and the Legislative Branch. In a liaison role, HOWARD was effective.

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As for associates of HOWARD, _____ suggested that _____ be contacted as he appeared to be the closes associate of HOWARD.

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/30/85

[redacted]
[redacted] was interviewed by Special Agent (SA) [redacted] was advised of the nature of the investigation and furnished the following information:

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[redacted]
[redacted]
[redacted] HOWARD apparently had lied during the initial interview by saying that he (HOWARD) had worked for the State Department. [redacted] stated that HOWARD told him that he resigned from the State Department because his wife had just had their first child and his next assignment was to be in Moscow. [redacted] said that HOWARD told him he did not want to go to Moscow; therefore, he decided to quit his position and apply with the LFC. [redacted] advised that HOWARD was hired as an Economics Analyst because he was the best qualified for that position at the time.

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[redacted] recalls that approximately a year and a half down the road, HOWARD told him that the State Department was merely a cover and that he, HOWARD, was in the CIA. [redacted] stated that this all occurred while [redacted]

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Classified by: G-3
Declassify on: OADR

Investigation on 9/25/85 at [redacted] File # Albuquerque 65A-590-Sub 6-14
by SA [redacted] njo Date dictated 9/25/85

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AQ 65A-590

Continuation of FD-302 of _____, On 9/25/85, Page 2

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_____ advised that he calmed HOWARD down and that's when HOWARD told him about being in the CIA. _____ said that although he did not socialize with HOWARD, he could now see what other fellow employees had told him about HOWARD'S drinking problem. _____ pointed out that during their conversation in the room, he felt HOWARD was intoxicated, although it may have been due to HOWARD'S ill-advised use of pain killer drugs and alcohol. _____ also advised that HOWARD tried to explain away the whole situation by saying that every time he got drunk, even around his (HOWARD'S) wife, he would always say that he was going to take a trip to Geneva.

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_____ also said that HOWARD told him that he had been arrested on an assault charge which took place in Santa Fe, New Mexico. _____ said that HOWARD told him that he was never technically brought up on charges, and that that was some proof that he was in the CIA. _____ said HOWARD told him "How do you think the charges got dropped?" HOWARD also told _____ that he had an ongoing law suit against the CIA because he was fired after a breaking and entering incident which HOWARD says he was asked to do by the CIA. _____

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b7C

_____ HOWARD allegedly went to Washington to see his attorney in connection with the suit pending against the CIA. _____ stated that HOWARD confided he was going to a psychologist in Santa Fe, and that the CIA was paying for it.

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AQ 65A-590

Continuation of FD-302 of _____, On 9/25/85, Page 3

_____ advised that after their conversation _____ that evening, the subject of his employment with the CIA never came up again.

b6
b7C

_____ advised that HOWARD called an old Peace Corps friend (first name and last name unknown), _____

_____ was also aware that HOWARD had several acquaintances in the Washington, D.C. area.

_____ recalled that around Thanksgiving, 1984, HOWARD took a trip to northern Italy. _____ stated that HOWARD took a flight originating in Dallas, Texas, and believes his ultimate destination was either Milan or Turin, Italy. He said that HOWARD rented an automobile in Italy and visited friends in southern Germany. _____ advised that since HOWARD scheduled his trip around a Data Resources, Inc. conference, it might be possible to pinpoint not only the day, but the town in northern Italy where HOWARD stayed. _____ explained that HOWARD wanted to schedule his trip around this conference in order to get a tax write-off.

b6
b7C

_____ pointed out that HOWARD seemed quite adept in the use of their IBM PC computers. _____ felt that this information may be valuable inasmuch as he felt HOWARD might have been trying to do some computer "hacking" while he was working for the LFC. _____ concluded by saying that he felt HOWARD was intelligent and a capable individual. _____ could not personally recall any other trips taken by HOWARD outside of the continental United States. _____ concluded by saying that he would report any contact from EDWARD LEE HOWARD to the nearest FBI Office. _____ could offer no further information regarding EDWARD LEE HOWARD.

b6
b7C~~SECRET~~

1195

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/4/85

[redacted]
[redacted] was interviewed in the offices of the Legislative Finance Committee (LFC) of the Government of the State of New Mexico. [redacted] was advised that he was being interviewed to develop information to assist the Federal Bureau of Investigation (FBI) in locating EDWARD LEE HOWARD, a former LFC employee.

b6
b7C

[redacted]

[redacted] recalled that with rare exception, all his conversations of length with HOWARD were professional in nature. He characterized HOWARD as a likeable person, who displayed a knowledge and interest in economics and statistics. [redacted] could recall his having visited HOWARD'S office on only two occasions, both dealing with business matters.

b6
b7C

[redacted]

b6
b7C

Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590
by SA [redacted] LSK:mev Date dictated 10/1/85

b6
b7C

1196

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Classified by G-3
Declassify on: OADF

~~SECRET~~

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AQ 65A-590

Continuation of FD-302 of [REDACTED] . On 10/1/85 . Page 2

[REDACTED]
given to him by HOWARD. [REDACTED] furnished the diskette to Special Agent [REDACTED] as he had received it from HOWARD.

b6
b7C

[REDACTED] could furnish no information with regard to HOWARD'S personal life or any of his associates outside of the office.

1197

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/4/85

[redacted] was apprised as to the nature of the interview, as well as identity of the interviewing agent, after which she provided the following information:

b6
b7C

She has known EDWARD LEE HOWARD since [redacted] At that time, she had little contact with him, however, when he started work as an Economic Analyst with the LEGISLATIVE FINANCE COMMITTEE, her contact with him, on a professional level, increased.

Her contact with HOWARD was only a work or professional level, aside from an occasional office party. Her conversations with HOWARD varied little, [redacted] with little room for social talk. He never spoke of his family or of any hobbies or interests. He did speak highly of the Santa Fe area, indicating it was a good place to raise a family. He personally enjoyed the slow paced life of the area. [redacted] related that a person who HOWARD interacted well with was [redacted]

b6
b7C

Following indentifying data was obtained by observation and interview of [redacted]

Name:
Date of Birth:
Place of Birth:
Position:

b6
b7C

Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590 47
by SA [redacted] DPW:mev Date dictated 10/1/85

b6
b7C

1198

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Classified by [redacted]
Declassify on: OADR

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/15/85

[redacted] Legislative Finance Committee, State Capitol, Santa Fe, New Mexico, was advised of the identity of the interviewing agents and thereafter provided the following information:

b6
b7C

She stated she has been previously interviewed by Special Agent [redacted] regarding her association with EDWARD HOWARD. In reading newspaper accounts, subsequent to HOWARD'S disappearance from this area, she was reminded of an occasion in mid to late summer 1985, where she saw HOWARD on a pay telephone in the back hallway of the State Capitol Building. At the time, she thought it was unusual, since he had access to his own office telephone and the use of his telephone credit card. Further consideration of the matter was brought to the attention of the Federal Bureau of Investigation (FBI), since it was a conversation he obviously needed privacy in making. She did not overhear any of the conversation and was unable to provide any further information concerning this incident.

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Investigation on 10/9/85 at Santa Fe, New Mexico File # Albuquerque 65A-590 - 66243
by SA [redacted] rjc Date dictated 10/10/85

b6
b7C

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FEDERAL BUREAU OF INVESTIGATION

LEAD 174

1

Date of transcription 10/17/85

[redacted] was advised of the identity of the interviewing agents and of the nature of the interview after which she furnished the following information:

[redacted]

b6
b7C

Nearly all of their conversations dealt with professional matters, but he evidently felt she was an individual with whom he could speak about personal concerns. The only occasion where such personal matters of HOWARD'S were revealed was on the Tuesday prior to his disappearance. On this occasion, he told her that he had been "tracked down" by a local Santa Fe FBI agent, [redacted] while HOWARD was on a business trip elsewhere in the State. [redacted] had evidently sought him for interview regarding the investigation of [redacted] and [redacted] HOWARD had expressed concern [redacted] that he would be called before a Federal Grand Jury meeting because of [redacted] appeal to his conviction. HOWARD'S entire concern stated [redacted] was, what [redacted] the LEGISLATIVE FINANCE COMMITTEE (LFC) would say regarding his appearance before the Grand Jury. HOWARD had stated to [redacted] that he felt the potential for a conflict of interest was present and sought her opinion regarding this matter. She consoled him regarding this based on her previous interviews with the FBI on this matter herself and he appeared to be satisfied.

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b7C

[redacted] She never had socialized with him, but due to the close professional relationship, considered there to be a sense of communication between them. She noted that HOWARD

b6
b7C

Investigation on 10/15/85 at Santa Fe, New Mexico File # Albuquerque 65A-590
by SA [redacted] :mev Date dictated 10/16/85

1200

b6
b7C~~SECRET~~

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AQ 65A-590 LEAD 174

Continuation of FD-302 of [REDACTED], On 10/15/85, Page 2

b6
b7C

[REDACTED]

Throughout their association HOWARD never discussed any acquaintances or associates. Though he never specifically described his former employment with the UNITED STATES STATE DEPARTMENT, she was given the impression that it had been with the Diplomatic Corps. He inferred that he had been in Europe in his younger years, and she was given the impression that he was due to be assigned to Warsaw, Poland, but chose not to accept the appointment due to a strain on his family life. HOWARD had mentioned on at least one occasion of his great frustration in working for the United States Government. In making this statement, he never identified a specific department or agency to which he was referring.

[REDACTED] had always been given the impression by HOWARD that he had been educated in American Schools while in Europe, including the elementary years and possibly even through college. He had stated that [REDACTED] [REDACTED] No specific locations of assignment, however, had ever been stated. She had always been given the impression by HOWARD that he was independently wealthy from some unknown source. She considered this impression to possibly have come from his sophisticated, European style of demeanor, instead of any acquisition of property.

[REDACTED]

b6
b7Cb6
b7C

HOWARD had expressed a fondness of hiking and camping in the Pecos Wilderness Area north of Santa Fe. He mentioned on at least one occasion that he intended to take his boy fishing there.

The only other travel ever mentioned by HOWARD was his attendance of a conference which she believed occurred in Rome, Italy. He had told her that the conference was sponsored by the ECONOMIC PROJECTION SERVICE, a United States Government organization. The State of New Mexico, allegedly gave HOWARD leave time in order to attend the conference, but he advised he had to pay

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LEAD 174

AQ 65A-590

Continuation of FD-302 of _____

On 10/15/85, Page 3b6
b7C

some of the money for transportation out of his own savings. She believed the conference took place in March or April of 1985. Upon HOWARD'S return from the trip, he made no discussion of the conference or any other side trips which may have occurred. He had previously told her that he spoke German and said that she would not have been surprised if he had told her of a side trip, but nothing was stated. Furthermore, he had never told her of any travel to Mexico or his past involvement with the Peace Corps.

_____ had the impression that there was "not much fun" in HOWARD'S life. He appeared to be very sober and serious. He had admitted on at least one occasion of a former drinking problem stating that he used to have "a problem with binging".

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b7C

She got the impression that HOWARD had gone out to the mountains for such a drunken binge. At no time was she ever given the impression that HOWARD had the ability to be flirtatious with women and seriously questioned his ability to do so.

_____ admitted that following HOWARD'S arrest for an assault charge approximately one year ago in Santa Fe, she had telephoned him at his office in order to offer him support. He expressed gratitude and identified the problem only as a result of his "drinking that got out of hand".

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b7C

She was unable to furnish any further information of value concerning her relationship with HOWARD or his present location.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/15/85

[redacted]
interviewed by Special Agents [redacted]
of the Federal Bureau of Investigation (FBI), and he provided
the following regarding his association with EDWARD HOWARD.

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b7C

[redacted]
[redacted] HOWARD seemed genuinely
interested in his work and impressed [redacted] with his knowledge of
the field and professionalism. He appeared, [redacted] to be
sincerely interested in what was happening to the state of
New Mexico.

b6
b7C

[redacted] was completely surprised by the charges against
HOWARD. [redacted] HOWARD on several occasions, and he
[redacted] He did not think that HOWARD
exhibited any signs of alcoholism or instability [redacted]
[redacted] HOWARD did mention at one time that he would like to
go back to the United States State Department, but never
mentioned his association with the Central Intelligence Agency.

HOWARD was very proficient with computers and enjoyed
playing computer games, such as "Flight Simulator".

HOWARD mentioned [redacted] that he had a responsible
position with AID in Lima, Peru, and enjoyed the work there. It
[redacted]

b6
b7C

Investigation on 10/9/85 at Santa Fe, New Mexico File # Albuquerque 65A-590-18

by SA [redacted] thb/bIa Date dictated 10/10/85

b6
b7C

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Declassify on: OADR

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Continuation of FD-302 of [REDACTED], On 10/9/85, Page 2

[REDACTED]

b6
b7C

HOWARD, at one time, mentioned [REDACTED] that he planned a career change in 1986, going into private consulting. HOWARD

[REDACTED] simply interpreted this as an attempt by HOWARD to demonstrate that he had wide contacts.

b6
b7C

On Thursday, September 19, 1985, or Friday, September 20, 1985, HOWARD had tried to call [REDACTED]. He had no idea what the calls would have been about.

[REDACTED] described HOWARD as a loner, who would not reveal too many of his private thoughts.

[REDACTED]

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b7C

[REDACTED] said he would try to remember the name of his acquaintance and give it to the Federal Bureau of Investigation. He did not make the connection with HOWARD until after HOWARD'S escape.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/22/85

(LEAD # 159B)

[redacted] Prior to any questioning
[redacted] was advised he was being interviewed regarding EDWARD
HOWARD, who was employed as a budget analyst with the
Legislative Finance Committee (LFC).

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b7C

Investigation on 10/16/85 at [redacted] File # Albuquerque 65A-590 - 416-25
by SAS [redacted] Date dictated 10/17/85

b6
b7C~~SECRET~~

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10/15/85

(LEAD #19)

[redacted]
 was advised of the identity of the interviewing agents and thereafter provided the following information:

[redacted] stated she knew EDWARD LEE HOWARD in a strictly professional relationship in their employment at the State Capitol Building. On numerous occasions, he visited her office during his employment [redacted]

[redacted] stated that they maintained a cordial relationship but no social contact. She described him as being competent, yet quiet, and seemed to keep to himself.

[redacted] stated that he had a somewhat strange personality, in that he appeared to have a different sense of humor. She was unable to cite any examples of this. All her contacts with him were of a professional nature and she never heard him make any comment whatsoever regarding his wife or son. She heard [redacted]

[redacted] that he was very fond of his son. She stated that the last time she saw HOWARD was on Saturday, September 21, 1985, [redacted]

[redacted] observed him coming into the building from the visitors parking lot, on the south side near Paseo De Peralta.

He was dressed in casual clothes and she believed him to be wearing khaki slacks. She was unable to recall any further clothing, but felt certain that if he had been wearing a suit and tie, she would have recalled it. She noted that it was not unusual for him to be seen in casual clothes, since it was a weekend. They exchanged greetings only, and he walked up the steps to enter the building.

She did not observe him to be carrying anything, and she failed to notice if he appeared to be nervous or pre-occupied. There was nothing overtly unusual about the brief encounter.

She was unable to provide any further information concerning this incident, nor suggest other individuals who

Investigation on 10/9/85 at Santa Fe, New Mexico File # Albuquerque 65A-590 - Sub 6-244
 by SA [redacted] Date dictated 10/10/85
 rjc

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b7Cb6
b7Cb6
b7C

~~SECRET~~Continuation of FD-302 of [REDACTED], On 10/15/85, Page 2

perhaps could be of assistance in this matter, except for
[REDACTED] an employee with the Legislative Finance Committee,
who she believed also saw HOWARD on his final day at the office.

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b7C~~SECRET~~

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/3/85

[redacted]
[redacted] was interviewed in the offices of the Legislative Finance Committee (LFC) of the Government of the State of New Mexico. [redacted] was advised that she was being interviewed in an effort to develop information that would assist the Federal Bureau of Investigation (FBI) in locating EDWARD LEE HOWARD, a former employee of the LFC.

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b7C

[redacted]
[redacted] characterized this initial relationship as strictly professional, noting the hectic environment of those offices when the Legislature is in session - leaving no time for social talk. [redacted] could not recall her having had any personal conversations with HOWARD during this time.

b6
b7C

[redacted]
[redacted] in the offices of the LFC, wherein HOWARD was there also employed. [redacted]

[redacted] her current duties with the LFC, she had no contact whatsoever with HOWARD.

b6
b7C

[redacted] reestablished a professional relationship with HOWARD, that quickly lead to a personal relationship of sorts, noting that she never socialized with HOWARD [redacted] outside of the office.

HOWARD talked freely with [redacted] about his having grown up in Southern New Mexico. She specifically recalled his amazement at how much the Roswell/Hobbs area had changed during his years of absence.

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b7C

[redacted] was given to understand that HOWARD had left New Mexico as a child for family reasons, attending school out East and later joining the Peace Corps. HOWARD related that he

Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590

by SA [redacted] LSK:mev Date dictated 10/1/85

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b7C

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AQ 65A-590

Continuation of FD-302 of _____, On 10/1/85, Page 2

had spent several years with the Peace Corps in Columbia, South America. HOWARD spoke favorably of his experiences as a Federal employee, however, [] could not recall his having mentioned service in the Foreign Service. HOWARD never did state why he left the Federal Service.

b6
b7Cb6
b7C

HOWARD never spoke of any problems in his personal life, however, in the two weeks preceeding his departure from the LFC, he appeared withdrawn, distant, and less talkative than normal.

[] recalled her having met [] on several occasions when she visited the LFC offices. She never had occasion to talk to her at length.

[] characterized HOWARD as being very consumed by his work, noting that he never spoke of outside activities or hobbies that he pursued in his off hours.

b6
b7C

[] had no idea where HOWARD may have gone, nor could she explain his hasty departure from the LFC.

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10/18/85
(LEAD #22)

[redacted]
[redacted] was advised the identity of the interviewing agents and thereafter provided the following information:

b6
b7C

[redacted]
He had known HOWARD since HOWARD'S early employment with the state in his capacity.

b6
b7C

Until that time, their only association was professionally related in one personal meeting and numerous telephonic contacts [redacted] denied having any social contact whatsoever with HOWARD and was unable to provide information concerning his personal activities or present whereabouts.

b6
b7C

Investigation on 10/8/85 at Santa Fe, New Mexico File # Albuquerque 65A-590 - Sub 6-249

by SA [redacted]

rjc

Date dictated 10/13/85b6
b7C

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~~SECRET~~Continuation of FD-302 of , On 10/18/85, Page 2b6
b7c

advised he had no further personal information or documents in his office that could be of assistance regarding HOWARD in this matter.

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FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 10/7/85

[redacted] Legislative Finance
Committee, State of New Mexico, State Capitol Building, Santa Fe,
New Mexico furnished the attached vouchers pertaining to EDWARD
LEE HOWARD.

b6
b7C~~SECRET~~Interviewed on 10/7/85at Santa Fe, New MexicoFile # AQ65A-590-Sub 6-L

by SA [redacted]

Date dictated 10/7/85b6
b7C

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1217

~~SECRET~~

VOUCHER

06644444
LFC

10/7/85

CLASSIFICATION			AMOUNTS		A OR B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE (99)	ENCUMBRANCE REVERSAL (53)		
Acct.-Agy.-Activ.	Line Item	Name of Line Item				
1-112.0	096.0	Out-State M & F	33.80	33.80	B	72-833
	097.0	Out-State M & L	160.00	160.00	B	72-833
FISCAL YEAR 72nd			GRAND TOTAL \$	193.80		193.80

Vendor No.

Agency Name

STATE of NEW MEXICO

LEGISLATIVE FINANCE COMMITTEE

VOUCHER DATE

July 25, 1983

VOUCHER NUMBER

27A

WARRANT NUMBER

B898211 7/26/83

CONTRACT NUMBER (if needed)

hand del 7/27

PAYEE NAME
&
ADDRESS

Edward Howard

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A OR B	Encumbrance No.
Organization No.	Line Item						
GRAND TOTAL \$			193.80	193.80			

Originating Activity TOOL No

FOR TRAVEL

JURAT: I, Edward Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects.

PAYEE SIGN HERE _____ TITLE Economist
(if any)

NOTARY: Subscribed and sworn to before me at Santa Fe, N.M. this _____ day of _____, 19 _____.

Signed _____
Title Notary Public
(SEAL)

My commission expires _____

IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS _____

WITNESS _____

FOR PURCHASE

PAYEE SIGN HERE: I certify that the above bill is correct and just and that payment therefor has not been received.

X _____

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL: I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated, that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid.

NAME _____

Title

Director

NAME _____

Title

AUTHORIZED SIGNATURE for DFA Payment

Date

1218

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE
Staff Travel and Per Diem Record

Name: Ed Howard
Destination(s): Albuquerque + Chicago
Purpose of Trip: LFC Meeting + DRI Seminar
Date/Time traveler left on trip: 730AM 20 July 1983
Date Time
Date/Time traveler returned: 7 PM 22 July 1983

Travel:

Total miles traveled: _____ miles @ 22 cents/mile \$ _____
Commercial transportation (receipts or tickets attached):
Airplane \$ _____
Taxi 7.80
Parking _____
Other (specify) Shuttle Chicago 11.00
Shuttle Jack. Alb-Santa Fe 15.00

Total paid directly to carrier travel agent. (_____) Office Info
Total travel due traveler. 33.80 Only

Per Diem

In-State:

_____ days @ \$36.00 per day \$ _____
_____ days @ \$44.00 per day (special municipalities). *

Out-State:

_____ days @ \$52.00 per day \$ _____
2 1/4 days @ \$64.00 per day (special O/S areas) 160.00 **

Total travel and per diem due traveler \$ 193.80

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

23 July 1983
Date

Edward L Howard
Traveler's Signature

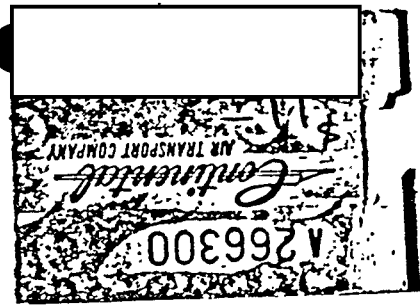
*Special municipalities: Alamogordo, Albuquerque, Artesia, Carlsbad, Clovis, Deming, Farmington, Gallup, Grants, Hobbs, Las Cruces, Las Vegas, Lovington, Portales, Roswell, Ruidoso, Santa Fe, Silver City, or Taos. (Must be overnight)

**Special out/state areas: Boston, New York City, Washington, D.C., Philadelphia, Dallas, Los Angeles, San Diego, San Francisco, Chicago, Houston, Atlanta, Denver, Kansas City, St. Louis, or New Orleans.

DLV/dv -- 04/30/83 (effective 10/25/82)

~~SECRET~~

~~SECRET~~



b6
b7C

SHUTTLE JACK

882-4311

General Information

Airport Departures board at the east end of the terminal near Delta Airlines counter
Santa Fe Departures board at the front door of the hotel.
Tickets are purchased from the driver. We accept cash and Travelers Checks.
Baggage two bags and one carry on are allowed, for info on larger bags, pets, parcels, etc., call the office
Office Hours 8:30—5:30 every day
Charter Service We also offer complete charter and tour services for any size group
"When you need a bus, call us!"
Shuttlejack, Inc., P.O. Box 5793, Santa Fe, NM 87502

PASSENGER'S RECEIPT, TAXICAB FARE

Date 7/22/83

Amount of Fare \$ 7.00

Other Charges \$ 0.00

Total \$ 7.00

Driver's Name [Redacted]

Cab Number #12

b6
b7C

~~SECRET~~

1220

~~SECRET~~

VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE (99)	ENCUMBRANCE REVERSAL (53)		
Acct.-Agy.-Activ.	Line Item	Name of Line Item				
1-112.0	096.0	Out-State M & F	186.30	186.30	B	72-833
	097.0	Out-State M & L	128.00	128.00	B	72-833
FISCAL YEAR ..72nd..			GRAND TOTAL \$	314.30		

Vendor No.

Agency Name

STATE of NEW MEXICO

LEGISLATIVE FINANCE COMMITTEE

VOUCHER DATE

August 16, 1983

VOUCHER NUMBER

57

WARRANT NUMBER

B928777 8/17/83

CONTRACT NUMBER (if nec)

hand del 8/18

PAYEE NAME
&
ADDRESS

Edward Howard

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A or B	Encumbrance No.
Organization No.	Line Item						
Originating Activity TOOL No			GRAND TOTAL \$	314.30			

FOR TRAVEL

JURAT: I, Edward Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects.

PAYEE SIGN HERE TITLE Economic Analyst

NOTARY: Subscribed and sworn to before me at Santa Fe, N.M. this day of, 19.....

Signed

Title Notary Public

My commission expires

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS

WITNESS

FOR PURCHASE

PAYEE SIGN HERE. I certify that the above bill is correct and just and that payment therefor has not been received.

X.....

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL: I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated, that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid.

NAME

Title

NAME

Director
Title

AUTHORIZED SIGNATURE for DFA Payment

Date

~~SECRET~~

1221

~~SECRET~~

26.0 O/S 7112 F
17.0 O/S 7115 L

186 30
128 00
314 30

LEGISLATIVE FINANCE COMMITTEE
Staff Travel and Per Diem Record

Name: Edward Howard
Destination(s): Los Angeles
Purpose of Trip: DRI Seminar (support DRI Computer Contract)
Date/Time traveler left on trip: 10 August '83 2⁰⁰ PM
Date/Time traveler returned: 12 August '83 9³⁰ PM

Travel:

Total miles traveled: 65 * POV to Albuquerque miles @ 22 cents/mile \$ 14.30
Commercial transportation (receipts or tickets attached):
Airplane \$ 130.00 ✓
Taxi . to LAX #1 \$ 20.00 ✓
Parking. LIMO From Airport to town \$ 6.15 ✓
Other (specify) Shuttlejack on return \$ 15.00 ✓
Bus in LA \$.85 ✓

Total paid directly to carrier travel agent. () Office Info
Total travel due traveler. \$ 186.30 Only

Per Diem

In-State:

 days @ \$36.00 per day \$
 days @ \$44.00 per day (special municipalities). \$ *

Out-State:

 days @ \$52.00 per day \$ 144.00
2 1/4 days @ \$64.00 per day (special O/S areas) \$ 128.00 **

Total travel and per diem due traveler \$ 330.30

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

15 August 1983
Date

Edward L Howard
Traveler's Signature

*Special municipalities: Alamogordo, Albuquerque, Artesia, Carlsbad, Clovis, Deming, Farmington, Gallup, Grants, Hobbs, Las Cruces, Las Vegas, Lovington, Portales, Roswell, Ruidoso, Santa Fe, Silver City, or Taos. (Must be overnight)

**Special out/state areas: Boston, New York City, Washington, D.C., Philadelphia, Dallas, Los Angeles, San Diego, San Francisco, Chicago, Houston, Atlanta, Denver, Kansas City, St. Louis, or New Orleans.

DLV/dv -- 04/30/83 (effective 10/25/82)

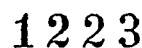
1222

~~SECRET~~

*1 TAXI WAS TAKEN IN LIEU OF LIMO BECAUSE IT WAS ADVANTAGEOUS TO THE GOVERNMENT. (FREE COMPUTER TIME!)

• \$22.00

© 2000 Blackwell Science Ltd *Journal of Internal Medicine* 247: 105–112



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VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE	ENCUMBRANCE		
Acct.-Agcy.-Activ.	Line Item	Name of Line Item	(99)	REVERSAL (53)		
1-112.0	096.0	Out-State M & F	555.55	555.55	B	72-833
	097.0	Out-State M & L	377.00	377.00	B	72-833
FISCAL YEAR 72nd.....			GRAND TOTAL \$	932.55	932.55	

Vendor No.

Agency Name

STATE of NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PAYEE NAME
&
ADDRESS

Edward Howard

VOUCHER DATE

October 28, 1983

VOUCHER NUMBER

188A

WARRANT NUMBER

B062745 10/31/83

CONTRACT NUMBER (if nec)

none dec 11/1

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A or B	Encumbrance No
Organization No	Line Item						
Originating Activity TOOL No				GRAND TOTAL \$			

FOR TRAVEL

JURAT: I, Edward Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects.

PAYEE SIGN HERE TITLE Economic Analyst
(if any)

NOTARY. Subscribed and sworn to before me at Santa Fe, NM

this 28th day of October, 1983

Signed
Title Notary Public

(SEAL)
My commission expires April 21, 1984

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS

WITNESS

FOR PURCHASE

PAYEE SIGN HERE. I certify that the above bill is correct and just and that payment therefor has not been received

FOR BOTH TRAVEL AND PURCHASE

AGENCY APPROVAL I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated, that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid

NAME Title Director

NAME Title

AUTHORIZED SIGNATURE for DFA Payment Date

✓

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72-833

46.0 O/S M&F 555.55
47.0 O/S M&L 377.00
932.55

LEGISLATIVE FINANCE COMMITTEE
Staff Travel and Per Diem Record

10/23/83
10/25/83

Name: Ed Howard

Destination(s): Washington DC - Williamsburg, Va

Purpose of Trip: FERC/Labor Statistics/Revenue Estimation Conference

Date/Time traveler left on trip: 6:00 AM October 20, 1983

Date

Time

Date/Time traveler returned: 11:30 PM October 26, 1983

Travel:

To Alb by private auto
Total miles traveled: 105 miles @ 22 cents/mile \$ 14.30
Commercial transportation (receipts or tickets attached):
Airplane \$ 318.00
Taxi \$ 5.00
Parking \$ 173.25
Other (specify) Rental Car (excluding personal) \$ 30.00
+ Gas (excluding personal) \$ 15.00
Shuttle jett home

Office Info

Total paid directly to carrier travel agent. () Only
Total travel due traveler. \$ 555.55

Per Diem

In-State:

___ days @ \$36.00 per day \$ ___
___ days @ \$44.00 per day (special municipalities) \$ ___*

Out-State:

10/23-26 3 1/4 days @ \$52.00 per day \$ 169.00
3:30p-11:30p 3 1/4 days @ \$64.00 per day (special O/S areas) Washington \$ 208.00**
10/20-23 3 1/4 days @ \$64.00 per day (special O/S areas) Washington \$ 208.00**
6 am 3:30pm
Total travel and per diem due traveler \$ 932.55

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

October 27, 1983
Date

[Signature]
Traveler's Signature

*Special municipalities: Alamogordo, Albuquerque, Artesia, Carlsbad, Clovis, Deming, Farmington, Gallup, Grants, Hobbs, Las Cruces, Las Vegas, Lovington, Portales, Roswell, Ruidoso, Santa Fe, Silver City, or Taos. (Must be overnight)

**Special out/state areas: Boston, New York City, Washington, D.C., Philadelphia, Dallas, Los Angeles, San Diego, San Francisco, Chicago, Houston, Atlanta, Denver, Kansas City, St. Louis, or New Orleans.

DLV/dv -- 04/30/83 (effective 10/25/82)

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1225

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TRANS. NUMBER		ALBUQUERQUE		See below for Airline Form, Serial Number	
01 OCT 83		ALBUQUERQUE		CAMELBY 0000 P. TV	
EDWARD		ALBUQUERQUE		BANTA 0000 P. TV	
ALBUQUERQUE		TO 204 W 2000Y		0104 ON WASHINGTON	
WASHINGTON NATH		TU 106 H 2200Y		3500 ON WASHINGTON	
ALBUQUERQUE					
VOID					
VOID					
204.44 2000Y		ABO TU 000147.22 TU		ABO147.22 TU 204.44	
11.54					
11.54		0000743201004/12/83		0000743201004/12/83	
11/		010 7211393490 R. R.		0151	
01645020324					

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1226

~~SECRET~~

41 070 514 100024

EDWARD L HOWARD

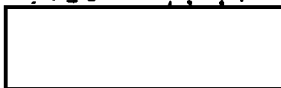
INITIAL TO VERIFY
EXPIRATION DATE

THE TERMS OF THIS AGREEMENT ARE COM-
PLETED ON BOTH SIDES OF THIS PAGE



528613

INVOICE NUMBER



NOTICE TO BUYER: (1) DO NOT SIGN THIS AGREEMENT
UNTIL YOU HAVE READ IT OR IF ANY OF THE SPACES
WITHIN FOR THE AGREEMENT ARE LEFT BLANK.
(2) YOU ARE ENTITLED TO A COPY OF THIS AGREEMENT
AT THE TIME YOU SIGN IT. KEEP IT TO PROTECT YOUR
LEGAL RIGHTS. (3) YOU MAY AT ANY TIME PAY OFF THE
FULL UNPAID BALANCE UNDER THIS AGREEMENT.
(4) WHEN ADDITIONAL RECEIPT OF A COMPLETED EX-
PIRATION DATE OF THIS AGREEMENT IS REQUIRED, THE
BUYER MUST SIGN THE CREDIT CARD AGREEMENT.

DATE	AMOUNT	PAID	DATE	AMOUNT	PAID
12/0	22.25				
TOTAL			22.25		

STATE NM

185 01204 00554

100230

EDWARD L HOWARD

TOTAL AMOUNT

STUCKEY'S INVOICE

0585



TEXACO

PLEASE RETAIN THIS COPY
TO VERIFY BILLING.

23508859196 102483

0279204

STUCKEYS-NO 137
THORNBURG VA

INVOICE NUMBER

STUCKEY'S PRODUCTS & SERVICES	QTY	PRICE	AMOUNT
☐ REGULAR ☐ SUPER UNLEADED	7.5	3.00	22.50
☐ JELCO ☐ DIESEL			
☐ MOTOR OIL ☐ MOTOR OIL			
☐ CASH ☐ GIFT			
TOTAL			22.50

STUCKEY'S LICENSE NUMBER: KRV-652-VC STATE: VA AUTHORIZATION: ATTENDANT: DATE: 10-21-83

CHECK COMPANY CHARGE	
☐ TEXACO	☐ VISA
☐ AM. EXP.	☐ DISCOVER
☐ MASTERCARD	☐ GIFT

Buyer agrees to pay / receive inv. or receipts of
this purchase in accordance with Texaco's p
lease terms. See price disclosure of who
acknowledges. Do not sign before read
Buyer must print any spaces for address
Buyer must sign this copy.



PARKING RECEIPT

DATE 10-21-83

660

SHUTTLE JACK

PAID 5.00

General Information

From the terminal near the east end of the terminal near Delta Airlines counter
No baggage claim from the driver. We accept cash and Personal Checks
No baggage claim from the driver. We accept cash and Personal Checks
No baggage claim from the driver. We accept cash and Personal Checks
No baggage claim from the driver. We accept cash and Personal Checks

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1227

b6
b7c

b6
b7c

SECRET

Sears Rent a Car

RENTAL AGREEMENT

MINIMUM CHARGE—ONE DAY PLUS MILEAGE. DAILY RATE IS BASED ON 24 HOUR DAY.

WARNING—FAILURE TO RETURN THIS VEHICLE IN ACCORDANCE WITH THE TERMS OF THIS RENTAL AGREEMENT MAY RESULT IN A CRIMINAL PENALTY OF UP TO THREE YEARS IN JAIL.

ACKNOWLEDGED
AS REQUIRED BY LAW

CREDIT CARD NO.

Budget

car and
truck rental

AN INDEPENDENT
BUDGET SYSTEM LICENSEE

RENTER HOWARD E. JEFFREY		DATE 10/26/97	RENTING LOCATION NA 1303 JEFFREY HY	CONTROL NUMBER N4N421175
PHONE NO./D.O.B./SUPER REZ NO.		PREVIOUS CAR		CAR NUMBER
RESIDENT 837-3740				TAG NUMBER
CITY/STATE/ZIP				MAKE/MODEL
NO. EXP. DATE/STATE				DATE AND TIME IN
COMPANY				DATE AND TIME OUT
COMPANY PHONE/CORP. RATE NO.				MILEAGE IN
CHARGE CARD NO./R.R./TRANSACTION				MILEAGE OUT
REMARKS				MILES DRIVEN
				DAMAGE
		SPECIAL RATES		REGULAR RATES
ADDITIONAL DRIVER		DATE OF BIRTH		SPECIAL TIME AND MILEAGE CHARGES
LICENSE NUMBER		EXPIRATION DATE STATE		TIME AND MILEAGE CHARGES
LOCAL CONTACT/PHONE NO.		RENTER'S INS. CO.		CHECK IN LOCATION
DATE		RETURNING LOCATION		UNLIMITED MILEAGE, WEEKEND, SPECIAL, AND VACATION SPECIAL RATES DO NOT APPLY IF VEHICLE IS RETURNED TO LOCATION OTHER THAN THE RENTING LOCATION.
EXTEND TO		AUTH. BY		EXTENDED TO
ACCEPTS		DECLINES		ACCEPTS
				DECLINES
RENTER'S OUT		RENTER'S INT		RENTER'S INT
PORTLAND: IF ACCIDENT REPORT IS NOT FILED WITHIN 24 HOURS OF ACCIDENT COLLISION DAMAGE WAIVER IS VOID.				RATES DO NOT INCLUDE GASOLINE
PORTLAND: AUTHORIZED DRIVER MUST BE 21 OR OLDER AND LICENSED.				FUEL GAUGE POSITION
THIS AGREEMENT INCLUDES ALL INSURANCE PROVISIONS HEREOF AND VEHICLE IS USED OR OPERATED IN ACCORDANCE WITH THE RENTAL AGREEMENT.				DEPOSITS PREPAID VOUCHERS OR COUPONS
RENTER AUTHORIZED BUDGET TO SUBMIT A RENTAL CARD FOR PAYMENT.				CASH
RENTER AGREES TO BE RESPONSIBLE FOR ANY AND ALL DAMAGE TO VEHICLE DURING THE TERM OF THE RENTAL.				ADDITIONAL CASH
RENTER MUST HAVE VEHICLE OPERATED BY RENTED.				DEPOSIT TOTAL
AGREE TO BE BOUND BY THE TERMS AND CONDITIONS ON BOTH SIDES OF THIS AGREEMENT.				REFUND RENTALS INITIALS
RENTER'S SIGNATURE		1228		PAID OUT
				RECEIVED
				NET DUE RENTER
				NET DUE BUDGET

~~SECRET~~

VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE (99)	ENCUMBRANCE REVERSAL (53)		
Acct. Agy. Activ.	Line Item	Name of Line Item				
1-112.0	096.0	Out of State M & F	389.50	389.50	B	74-001022
	097.0	Out of State M & L	297.96	297.96	B	74-001022
FISCAL YEAR ...74th.			GRAND TOTAL \$	687.46		687.46

Vendor No.	Agency Name STATE of NEW MEXICO	LEGISLATIVE FINANCE COMMITTEE
PAYEE NAME & ADDRESS		Ed Howard
VOUCHER DATE September 20, 1985		
VOUCHER NUMBER 135		
WARRANT NUMBER B 154137 9/26		
CONTRACT NUMBER (if needed) hand del MCH -10/2/85		

b6
b7C

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A or B	Encumbrance No.
Organization No.	Line Item						
Originating Activity TOOL No			GRAND TOTAL \$				

FOR TRAVEL

JURAT: I, Ed Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects.
PAYEE SIGN HERE TITLE Economic Analyst

NOTARY: Subscribed and sworn to before me at Santa Fe, NM this 20 day of September, 19 85

Signed
Title Notary Public

My commission expires April 21, 1988 (SEAL)

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS

WITNESS

FOR PURCHASE

PAYEE SIGN HERE: I certify that the above bill is correct and just and that payment therefor has not been received.

X

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL: I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated, that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid.

NAME Title Director

NAME Title

AUTHORIZED SIGNATURE for DFA Payment Date

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1229

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LEGISLATIVE FINANCE COMMITTEE
Staff Mileage and Per Diem Record

Name: Ed Howard
Destination(s): San Francisco
Purpose of Trip: Gas Conference
Date/Time traveler left on trip: 15 Sept 1985 700 AM *

Date Time

Date/Time traveler returned: 17 Sept 1985 945 PM

Date Time

Mileage (IN NM) 6HLSH Olds 1979
License (IN Calif) 1JKK482 Model Ford Year 1983
Total miles traveled: 130 IN NM miles @ 22 cents/mile \$ 115.50 **
Commercial transportation (receipts or tickets attached):
Airplane. \$ 259.00 ***
Taxi.
Parking. Albuquerque 9.00
Other (specify) San Francisco Airport Shuttle 6.00

Total mileage due \$ 389.50

Per Diem

Travel less than 24 hours (no overnight lodging required)

Between 6 and 12 hours = 6.00 \$ _____
Between 12 and 18 hours = 13.00 _____
Between 18 and 24 hours = 22.50 _____

Travel for each 24-hour period (overnight lodging required)

In-state. = 48.00 \$ _____
In-state special (Santa Fe) = 58.00 _____
Out-of-state. = 70.00 _____
Out-of-state special. = 95.00 _____

(Metropolitan areas of New York, Washington D.C., Chicago,
Los Angeles, San Francisco and out of the country).

Travel following 24-hour period where overnight travel is
required, for each additional period:

Less than 6 hours = 6.00 \$ _____
Between 6 and 12 hours. = 13.00 _____
Between 12 and 24 hours = 22.50 _____

(Continued)

* Hypothetical Departure time necessary for conference.
Actual departure time was 24 hrs. earlier.

** Total 525 miles at 22¢ = \$115.50. Flew Southwest to Los Angeles
and then drove 395 miles LA to San Francisco. Additional 130 miles
was RT Santa
Albuquerque
1230 -

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Actual Costs (Attach Receipts)

Lodging \$ 230.46
Meals 67.50 ****
Total per diem due. \$ 297.96
Total mileage and per diem due traveler \$ 687.46

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

9/18/85
Date

Ed Howard
Traveler's Signature

(Effective 05/16/84)

DLV/prd
dlv/per diem

	Actual	Max Allowed
9/15	31.31	22.50
9/16	42.01	22.50
9/17	23.12	<u>22.50</u>
		\$ 67.50 ****

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GHSA will allow a team to have a slight chance that a seat on a confirmed reservation will be held for them until airline personnel are exchanged for a payment of cash. If the airline will deny a boarding priority, will a team be allowed to compensate the airline and gain a boarding priority and boarding on a travel team. The team will be back with the airline to your travel.

PASSENGER TICKET AND BAGGAGE CHECK		SUBJECT TO CONDITIONS CONTAINED IN THIS TICKET		CONJUNCTION TICKET(S)		See below for Airline Form, Serial Number	
ISSUED BY AFRICA WEST AIRLINES				ORIGIN		BLUE SKY TRAVEL	
ADDITIONAL INSTRUCTIONS (CARBON)				DATE OF ISSUE 26 AUG 87		PASGR CPN 32 56629 6/EN/ ALL	
PASSENGER NAME _____ NOT TRANSFERABLE _____				ISSUED IN EXCHANGE FOR _____			
HOWARD, ED. MR		TU-YSEFUDS		STATUS-FARE BASIS/TKT. DESIGNATOR			
TO FROM NOT GOOD FOR PASSAGE		CARRIER FLIGHT CLASS DATE TIME		STATUS-FARE BASIS/TKT. DESIGNATOR			
TO N. BOURQUE		HP 8K 14SEP 040A		OK K			
X TO PHOENIX		HP 3K 14SEP 915A		OK K			
TO LOS ANGELES							
TO --VOID--							
TO --VOID--							
FARE CALCULATION		BAGGAGE CHECKED		UNCHECKED		UNCHECKED	
45.37		45.37		45.37			
CURR. FARE PD.							
9.63							
TOTAL		49.01		EXP 12-85		5W27	
FORM OF PAYMENT		AX-3720 507632 01006		EXP 12-85		5W27	
CPN		FAIRLINE CODE		FORM		SERIAL NUMBER	
401		7762446139		0		10	
ALAGT INFO		01517		CONTROL NO		23905325753	
DO NOT MARK OR WRITE IN THE WHITE AREA ABOVE							

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55 CYRIL MAGNIN
SAN FRANCISCO, CALIFORNIA 94102
(415) 392-8000

THANK YOU FOR
BEING OUR GUEST AT THE
RAMADA RENAISSANCE

FOR FUTURE RESERVATIONS
1-800-228-9898

2019 HOWARD, MR EDWARD 09/17/85 12:49 ACCT#
ROOM NAME DEPART TIME 10012
K1 LEGISLATIVE FINANCE 09/15/85
TYPE FIRM OR GROUP PLAN ARRIVE TIME GROUP
42 RM 231 STATE
SANTA FE NM PAYMENT BC E416300009124455
ROOM 87503 ADDRESS
CLERK

DATE	REFERENCE	CHARGES	CREDITS	BALANCE DUE
09/15	LNG DIST	537-505 .75		
09/15	ROOM	2019, 1 105.00		
09/15	RM TAX	2019, 1 10.23		
09/16	LOCAL PH	127-LOC .75		
09/16	ROOM	2019, 1 105.00		
09/16	RM TAX	2019, 1 10.23		
09/17	RM SRVC	040218 10.41		
09/17	CR CD-BC		242.37	

→ Food

.00

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1233

R

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#135



AIRPORTER EXPRESS

Ground Transportation to/from
San Francisco International Airport

Passenger Receipt 6.00

Date Sept. 17, 1985

Signature _____

6.00

CHICKEN SAND 1.99

//BBS 1.00

//TOMATO 1.00

LAG. DT. COKE 1.75

TAX 1.12

TOTAL 3.11

CASH 3.00

CHANGE 11

#OF ITEM

THANK YOU

#71813 CASH REC REC 15

28952 17 1

DATE: 09/17/85

TIME: 08:36 PM

AMOUNT: \$9.00

REPUBLIC
PARKING LOT
ALBUQUERQUE, N.M.

** THANK YOU **

09-17-85

12-10

1* 2.00

1* 1.50

1* 0.85

0.28 TX

4.63 CA

1*0-3484

HOST
INTERNATIONAL

TUE 09-17-85 ROOM

TU 42 SAN 7.25T

PER CYCLE 1.00T

SUB TOT 4.95

CASH 5.27

TAX 0.32

TOTAL 5.57

2077 A 113:45

GUEST RECEIPT

CHECK NO	DATE	TOTAL
64179	Sept 16, 1985	42.01

東洋東洋
FAR EAST CAFE

No 58931

631 Grant Avenue
San Francisco, California 94108
Tel: (415) 982-3245, 982-3246

Date	Amount
9-15	3131

~~SECRET~~

1234

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VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Encumbrance No. (Include appropriate Fiscal Year)
CODES	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL (\$)			
act..Agy..Activ.	Line Item	Name of Line Item	(99)			
1-112.0	021.0	In-State M & F	28.60			
	096.0	Out-State M & F	450.60	450.60	B	73-000417
	097.0	Out-State M & L	203.00	203.00	B	73-000417
FISCAL YEAR ...73rd			GRAND TOTAL \$	682.20	653.60	

Vendor No.

Agency Name

STATE of NEW MEXICO

LEGISLATIVE FINANCE COMMITTEE

VOUCHER DATE

June 21, 1985

VOUCHER NUMBER

414

WARRANT NUMBER

B004196 6/25/85

CONTRACT NUMBER (if used)

hand del 6/26

PAYEE NAME
&
ADDRESS

Edward L. Howard

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A or B	Encumbrance No
Organization No	Line Item						
Originating Activity TOOL No			GRAND TOTAL \$				

FOR TRAVEL

JURAT: I, Edward L. Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects
PAYEE SIGN HERE _____ TITLE Economic Analyst

NOTARY: Subscribed and sworn to before me at Santa Fe, NM this 21st day of June, 1985.

Signed _____ Title Notary Public

My commission expires April 21, 1988

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS _____

WITNESS _____

FOR PURCHASE

PAYEE SIGN HERE: I certify that the above bill is correct and just and that payment therefor has not been received

X _____

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL I or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated, that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid

NAME _____ Title Director

NAME _____ Title _____

AUTHORIZED SIGNATURE for DFA Payment _____ Date _____

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1236

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ITEMIZED SCHEDULE of EXPENSES

For reimbursement of travel and other expenses incurred in the discharge of official

duty from SEE BELOW to SEE BELOW
Month Day Year Month Day Yearas per itemized statement within, under authority of:
Per Diem & Mileage Act

Edward L. Howard

Official Headquarters

Santa Fe, NM

License No.
GHC 541Model
OldsmobileYear
1979

DATE	TIME Show AM or PM		CHARACTER of EXPENDITURES <i>Enter destination, nature of official business, party contacted and misc.</i>	ODOMETER READINGS		AMOUNTS		
	Departure	Arrival		Enter Start & Finish	No. of Miles	MILEAGE	PER DIEM EARNED	MISC.
6/13/85	11:00am		Washington, D. C.			\$	\$	\$
6/15/85		8:30pm	and return		130	28.60	203.00	
	MILEAGE:		to and from Albuquerque Airport above					
			Plane fare to Washington, D.C.			400.00		
			Taxi fare (\$11 one way) to and from airport			22.00		
	NCSL Bon	King	Conference					
6/20/85	12:00pm	5:00pm	Albuquerque & return		130	28.60		
	Met with	Touch Ross	and FORUM					
TOTALS						\$479.20	\$203.00	\$
GRAND TOTALS						\$	682.20	

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PAGE of PAGES

1236

SECRET

LEGISLATIVE FINANCE COMMITTEE
Staff Mileage and Per Diem Rec

Name: Ed Howard
Destination(s): Washington, D.C.
Purpose of Trip: NCSL Banking Conference
Date/Time traveler left on trip: 13 JUNE 11 AM
Date/Time traveler returned: 15 JUNE 8:30 PM *

Mileage

License # GHC 541 Model Olds Cutlass Year 1979
Total miles traveled: 130 miles @ 22 cents/mile \$ 28.60
Commercial transportation (receipts or tickets attached):
Airplane \$ 400.00
Taxi 22.00 **
Parking
Other (specify) Shuttle Jack to Alb.
Total mileage due \$ 465.60
450 60

Per Diem

Travel less than 24 hours (no overnight lodging required)
Between 6 and 12 hours = 6.00 \$
Between 12 and 18 hours = 13.00
Between 18 and 24 hours = 22.50
Travel for each 24-hour period (overnight lodging required)
In-state = 48.00 \$
In-state special (Santa Fe) = 58.00
Out-of-state = 70.00
Out-of-state special = 95.00 190.00
(Metropolitan areas of New York, Washington D.C., Chicago,
Los Angeles, San Francisco and out of the country).
Travel following 24-hour period where overnight travel is
required, for each additional period:
Less than 6 hours = 6.00 \$
Between 6 and 12 hours = 13.00 13.00
Between 12 and 24 hours = 22.50

(Continued)

*I actually returned at 3 PM on June 16, 1985. This time represents the earliest I could have gotten home leaving right after the conference. Delta Flight 323 leaving Washington at 230 PM and connecting with Delta 1053 (7:00 PM) Alb.

1237

SECRET

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Mileage and Per Diem Record
Page 2

Actual Costs (Attach Receipts)

Lodging \$
Meals \$
Total per diem due. \$ 203.00
Total mileage and per diem due traveler \$ 668.60

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

17 June 1985
Date

Ed Howard
Traveler's Signature

(Effective 05/16/84)

DLV/prd
dlv/per diem

*** \$11.00 fare from Nat'l Airport to Hotel
(receipt attached); rented car for \$27.14
and am requesting \$11.00 for hypothetical
return fare to D.C. airport.

~~SECRET~~

~~SECRET~~

See below Form, Series.

BLUE SKY TRAVEL
PSGR CPN
32 56622 6/PH/PH/11

ARC PASSENGER COUPON
DATE OF ISSUE 23-MAY-85
ALBUQUERQUE
ALBUQUERQUE

NOT TRANSFERABLE

HOWARD E. LEE JR. IN-YSH310

FROM	TO	CLASS	FARE BASIS	TIME	STATUS	FARE BASIS	DESIGNATION
ALBUQUERQUE	MI	1042F	13.411	130P	OK	ME70	
DALLAS-FEW	MI	562F	13.411	504P	OK	ME70	
WASH-NATIONAL	MI	722F	16.411	410P	OK	ME70	
ATLANTA	MI	297F	16.411	701P	OK	ME70	

ALBUQUERQUE

FARE BASIS: 150.37 ABON BENOL WAS 195.19 FLAT FARE 185.19 TL 370.38

FORM OF PAYMENT: 441.000X 3700 507502 01000

ACT: 006 7749742223 6

1431300570

DO NOT MARK OR WRITE IN THE WHITE AREA ABOVE

Time 10 PM Date June 13 1985

Cab Number _____ ID Number _____ Tag NO. _____

Company/ Ass'n. _____

Origin of Trip _____

Destination Shonelan Hotel. Fare \$11.00

Signature _____

~~SECRET~~

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE
Staff Mileage and Per Diem Record

Name: Ed Howard
Destination(s): Albuquerque
Purpose of Trip: Touche Ross / FORUM
Date/Time traveler left on trip: 20 June 1985 12 PM
Date/Time traveler returned: 20 June 1985 5 PM

Mileage

License # GHC541 Model Olds Cutlass Year 1979
Total miles traveled: 130 miles @ 22 cents/mile \$ 28.60
Commercial transportation (receipts or tickets attached):
Airplane \$ _____
Taxi _____
Parking _____
Other (specify) _____
Total mileage due \$ 28.60

Per Diem

Travel less than 24 hours (no overnight lodging required)
Between 6 and 12 hours = 6.00 \$ _____
Between 12 and 18 hours = 13.00 _____
Between 18 and 24 hours = 22.50 _____
Travel for each 24-hour period (overnight lodging required)
In-state = 48.00 \$ _____
In-state special (Santa Fe) = 58.00 _____
Out-of-state = 70.00 _____
Out-of-state special = 95.00 _____
(Metropolitan areas of New York, Washington D.C., Chicago,
Los Angeles, San Francisco and out of the country).
Travel following 24-hour period where overnight travel is
required, for each additional period:
Less than 6 hours = 6.00 \$ _____
Between 6 and 12 hours = 13.00 _____
Between 12 and 24 hours = 22.50 _____

(Continued)

~~SECRET~~

~~SECRET~~

VOUCHER

CLASSIFICATION			AMOUNTS		A OR B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE	ENCUMBRANCE		
Acct.-Agy.-Activ.	Line Item	Name of Line Item	(99)	REVERSAL (53)		
1-112.0	096.0	Out-State M & F	517.85	517.85	B	73-000417
	097.0	Out-State M & L	362.37	362.37	B	73-000417
FISCAL YEAR ...73rd..			GRAND TOTAL \$	880.22		

Vendor No.

Agency Name

STATE of NEW MEXICO

LEGISLATIVE FINANCE COMMITTEE

VOUCHER DATE

November 2, 1984

VOUCHER NUMBER

196

WARRANT NUMBER

B642335 11/5/84

CONTRACT NUMBER (if needed)

hand del 11/5/84

PAYEE NAME
&
ADDRESS

Edward L. Howard

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A OR B	Encumbrance No.
Organization No.	Line Item						
Originating Activity TOOL No.			GRAND TOTAL \$				

FOR TRAVEL

JURAT: I, Edward L. Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects.PAYEE SIGN HERE _____ TITLE Economic Analyst..
(if any)NOTARY: Subscribed and sworn to before me at Santa Fe, NM
this 2nd day of November, 19 84

Signed _____

Title Notary PublicMy commission expires April 21, 1988 (SEAL)

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS _____

WITNESS _____

FOR PURCHASE

PAYEE SIGN HERE: I certify that the above bill is correct and just and that payment therefor has not been received.

X _____

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL: I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated; that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid.

NAME _____ Title Director

NAME _____ Title _____

AUTHORIZED SIGNATURE for DFA Payment _____ Date _____

~~SECRET~~

~~SECRET~~

ITEMIZED SCHEDULE of EXPENSES

For reimbursement of travel and other expenses incurred in the discharge of official duty from SEE BELOW to SEE BELOW
Month Day Year to Month Day Year
as per itemized statement within, under authority of:
Per Diem & Mileage Act

Home (as defined in DFA Rule 78-3)
Edward L. Howard

Official Headquarters
Santa Fe, NM

License No. Model Year

DATE	TIME: Show AM or PM		CHARACTER of EXPENDITURES <i>Enter destination, nature of official business, party contacted and misc.</i>	ODOMETER READINGS		AMOUNTS		
	Departure	Arrival		Enter Start & Finish	No. of Miles	MILEAGE	PER DIEM EARNED	MISC.
10/28/84 11/01/84	8:00am	10:00pm	Boston return			\$	\$	\$
	MILEAGE:		Santa Fe to Albuquerque & return		130	28.60		
			Plane fare			445.00		
			Taxi			33.00		
			Parking			11.25		
	PER DIEM:		Lodging				252.87	
			Meals				109.50	
			NATA revenue estimating conference					
~~SECRET~~								
TOTALS						\$517.85	\$362.37	\$
GRAND TOTALS						\$	880.22	

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE
Staff Mileage and Per Diem Record

Name: Ed Howard

Destination(s): Boston, Washington DC

Purpose of Trip: NATA Conference; de Seve Contract

Date/Time traveler left on trip: 10/28/84 800 AM
Date Time

Date/Time traveler returned: 11/01/84 10 PM
Date Time

Mileage

Total miles traveled: 130 miles @ 22 cents/mile \$ 28.60

Commercial transportation (receipts or tickets attached):

Airplane. \$ ~~445.00~~ 445.00

Taxi. 33.00

Parking 33.00 11.25

Other (specify) fr 25

Total mileage due \$ 537.85

Per Diem

Travel less than 24 hours (no overnight lodging required)

Between 6 and 12 hours = 6.00 \$ _____

Between 12 and 18 hours = 13.00 _____

Between 18 and 24 hours = 22.50 _____

Travel for each 24-hour period (overnight lodging required)

In-state. = 48.00 \$ _____

In-state special (Santa Fe) = 58.00 _____

Out-of-state. = 70.00 _____

Out-of-state special. = 95.00 _____

(Metropolitan areas of New York, Washington D.C., Chicago,
Los Angeles, San Francisco and out of the country)

Travel following 24-hour period where overnight travel is
required, for each additional period:

Less than 6 hours. . . . = 6.00 \$ _____

Between 6 and 12 hours = 13.00 _____

Between 12 and 24 hours = 22.50 _____

(Continued)

~~SECRET~~

1243

~~SECRET~~

Actual Costs (Attach Receipts)

Lodging. \$ 252.87
Meals. 109.50
Total per diem due \$ 362.37
Total mileage and per diem due traveler. \$ ~~900.22~~ 880.22 927

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

11/02/84
Date

Ed Howard
Traveler's Signature

08/16/84 (Effective 05/16/84)

DLV/prd
s;dlv/per diem

~~SECRET~~

~~SECRET~~

Designed by Rand McNally. Printed in U.S.A. by Rand McNally & Co.

Imaged by Rand McNally
Printed in U.S.A. by Rand McNally & Co.

~~SECRET~~

1245

~~SECRET~~

Meals

10/28	23.15	22.50
10/29	27.15	22.50
10/30	24.70	22.50
10/31	55.43	22.50
11/1	19.50	19.50
		109.50

~~SECRET~~

1246

BOSTON'S MOST UNUSUAL LIQUOR STORE

~~SECRET~~

Cheese 'n' Cheer

15-17 HUNTINGTON AVE.
BOSTON



Telephone: 262-1213

The finest of wines & liquors plus
an infinite variety of imported
Cheeses and frozen gourmet foods
Wine tasting parties arranged
Open 8 00 am to 11 00 pm
Monday - Saturday

CUSTOMER'S ORDER NO.				DATE			
NAME				10/30/84			
STREET				CASH			
CITY & STATE							
SOLD BY	CASH	C.O.D.	CHARGE	ON ACCT	MDSE RET'D	PAID OUT	
QUANTITY	DESCRIPTION				PRICE	AMOUNT	
	Lunch					7 19	
				TAX			
				TOTAL			
ALL CLAIMS AND RETURNED GOODS MUST BE ACCOMPANIED BY THIS BILL							
0722				RECEIVED BY			

~~SECRET~~

1247

~~SECRET~~

GUEST CHECK
SERVER 24 TABLE 89/ 1 TIME 17:54

1 FISH CHOWDER	1.95
1 BO 1&HF LOB	17.95
1 BR FLOUNDER	9.95

TOTAL	29.85
TAX	1.49

GRAND TOTAL 31.34

LEGAL SEAFOODS BOSTON PARK PLAZA
"IF IT ISN'T FRESH IT ISN'T LEGAL"

THANK YOU

84-10-29 2 GUESTS NUMBER 307

+4.00 tip

~~SECRET~~

1248

Breakfast
10/22

~~SECRET~~

Thank You!
Nicky Catch

DATE	WAITER NO.	AMOUNT	GUEST CHECK NO.
10/28/85		\$20.15	43225
			3.00 tip

CUSTOMER'S RECEIPT — Keep above record for income tax or expense account, if needed - detach below this line.

787 18620

Marriott.

Gourmet's

GUEST RECORD
\$ 17.54
DATE 10/30/84

787 19936

Marriott.

Gourmet's

GUEST RECORD
\$ 11.22
DATE 10/31/84

DATE	SERVER	PERSONS	AMOUNT	CHECK NO.
Nov 1			1.00	000466

GUEST
RECEIPT

DATE	SERVED	AMOUNT
11/1/84		13.50

dinner 10/31/84

Cardmember Acct. No. 3720 507632 01006		120	
Cardmember 01/84 THRU 12/85 74 AX		Approval Code	
EDWARD L. HOWARD		Check or Bill No.	
Service Establishment PORTO		Any delayed charges are listed below	
ALEXANDRIA VA		Type of Delayed Chg.	
6144974		Amt. of Delayed Chg.	
4451004444		Revised Total	
Establishment agrees to transmit to American Express Travel Related Services Co., Inc. or Authorized Representative for payment. Merchandise and/or services purchased on this card shall not be resold or returned for cash refund.		Amexco Use Only	
Cardmember Signature		Equivalent Amount	
Invoice Number		Record of Charges	
484540		Please Print Firmly	
Cardmember Copy		1249	

~~SECRET~~

~~SECRET~~

October 31, 1984
United Cab Co. 188
[Redacted]
Tel. 936-6700
From: [Redacted] to
New York City
[Redacted]
[Redacted]

b6
b7C

~~SECRET~~

CAB # 119 DRIVER # 1922 TRIP # 7 CUSTOMER AC JT # \$5.00

NUMBER OF PIECES

ARTICLES

SHIPPED FROM:

ADDRESS

SHIPPED TO:

ADDRESS

DATE

DRIVER'S SIGN

ABER

CHECKER

TAXI

COMPANY

CALL: 536-7009

C45822

PACKAGE DELIVERY ORDER

LIMITED TO 30 LBS. - 10 PIECES TOTAL

LIABILITY - \$50.00 TOTAL VALUE

Amount \$

Cab No.

Cab Company

Cab Fare from

to

Date

DRIVERS' NAME

12841 13 1

DATE: 11/01/84

TIME: 08:39 PM

AMOUNT: \$11.25

SUNPORT
PARKING LOT
ALBUQUERQUE, N.M.

** THANK YOU **

~~SECRET~~

Run #

Fare \$10.22

From

To

Date 11.01.84

Time

Signature

Cab #

12

Cab No.

Date

To

From

Fare

Time

Drivers Name

TAXICAB RECEIPT

CAB ASS'N

CAB NO.

TAG NO.

TIME

DATE

PLACE OF ORIGIN

DESTINATION

FARE CHARGED

TIPS

SIGNATURE OF DRIVER

NO. PASSENGERS

~~SECRET~~

1251

~~SECRET~~

Thank you for choosing the Boston Copley Marriott Hotel on your trip to the Boston area. We trust your stay was enjoyable, and hope to see you again soon. At your convenience we would certainly appreciate your comments on our "Will You Let Me Know" form. We appreciate your business and continued patronage.

2943	HOWARD/EDWARD/MR	55.00	10/30/84	21:16	ACCT#
ROOM	NAME	RATE	DEPART	TIME	5792
COO	MR EDWARD/HOWARD		10/28/84		
TYPE	FIRM OR GROUP	PLAN	ARRIVE	TIME	GROUP
24	LEGIS FINANCE COMM				3649
	SANTA FE NM				
ROOM	87503				AX372050763201006/12
CLERK	ADDRESS		PAYMENT		
DATE	REFERENCE	CHARGES	CREDITS	BALANCE DUE	
10/28	LOCAL L155-LOC	.75			
10/28	MISC HONORAR	2.00			
10/28	ROOM 2943, 1	55.00			} Room
10/28	RM.TX 2943, 1	3.13			
10/29	LOCAL L218-LOC	.75			
10/29	ROOM 2943, 1	55.00			} Room
10/29	RM.TX 2943, 1	3.13			
10/30	LNG DIST L037-S05	2.92			
10/30	LNG DIST L042-S05	2.92			
10/30	LNG DIST L049-S05	7.54			
10/30	LOCAL L072-DIR	.75			
10/30	LOCAL L073-DIR	.75			
10/30	LOCAL L074-DIR	.75			
10/30	LOCAL L074-DIR	.75			
10/30	P-ROOM	27.50			} 1/2 Room
10/30	P-RM TAX	1.55			
				165.19	

18553

~~SECRET~~

The undersigned agrees to make immediate payment upon receipt of statement. In the event such payment is not made within 25 days after receipt of the original statement, it is agreed that the hotel may immediately impose a LATE PAYMENT CHARGE at the rate of 1 1/2% per month (ANNUAL RATE 18%), or the maximum allowed by law, on the unpaid balance, and the reasonable cost of collection, including attorney fees.

Signature X

BOSTON **Marriott** 252
COPLEY PLACE

110 Huntington Avenue
Boston, Massachusetts 02116
(617) 236-5808

~~SECRET~~

Thank you for choosing the Boston Copley Marriott Hotel on your trip to the Boston area. We trust your stay was enjoyable, and hope to see you again soon. At your convenience we would certainly appreciate your comments on our "Will You Let Me Know" form. We appreciate your business and continued patronage.

3206 HOWARD/EDWARD		55.00	10/31/84	TIME	11:57:3
ROOM	NAME	RATE	DEPART	TIME	
HOS	LEGIS FINANCE COMM		10/31/84		
TYPE	FIRM OR GROUP	PLAN	ARRIVE	TIME	
17					
ROOM	SANTA FE	NM	AX		
CLERK	87503		PAYMENT		
DATE	REFERENCE	CHARGES	CREDITS	BALANCE DUE	
10/31	TRANSFER GL 5791	55.00			
10/31	TRANSFER GL 5791	3.13			
10/31	ADJUST				
10/31	CR CD-AX				

29.05 } 1/2 Room All
29.08 }
.00

~~SECRET~~

The undersigned agrees to make immediate payment upon receipt of statement. In the event such payment is not made within 25 days after receipt of the original statement, it is agreed that the hotel may immediately impose a LATE PAYMENT CHARGE at the rate of 1 1/2% per month (ANNUAL RATE 18%), or the maximum allowed by law, on the unpaid balance, and the reasonable cost of collection, including attorney fees.

Signature X _____

BOSTON **Marriott** 1253
COPLEY PLACE

110 Huntington Avenue
Boston, Massachusetts 02116
(617) 236-5800

PRINT NAME FIRST SECRET INITIAL SECRET LAST NAME SECRET ROOM RATE 72.00

HERE SECRET ADDRESS SECRET TAX +

CITY SECRET STATE SECRET ZIP SECRET NO ADULTS 7

COMPANY NAME SECRET COMPANY ADDRESS SECRET NO CHILDREN 7

CAR MAKE SECRET COLOR SECRET LICENSE SECRET STATE SECRET EXP DATE SECRET

METHOD OF PAYMENT ☐ CASH ☐ CREDIT CARD ☐ COMPANY BILLING ☐ APP ☐

1		1
2		2
3		3
4		4
5		5
6		6
7		7
8		8
9		9
10		10
11		11
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13		13
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21		21
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25		25
26		26
27		27
28		28
29		29
30		30
31		31
32		32
33		33
34		34

SUITE 72.00
 RTAX 6.45
 207 15 76.45
 70 11/01 707 42 78.00
 70 11/01 707 42 78.00
 70 11/01 707 42 .00

I AGREE THAT MY LIABILITY FOR THIS BILL IS NOT
 WAIVED AND AGREE TO BE HELD PERSONALLY
 LIABLE IN THE EVENT THAT THE INDICATED
 PERSON, COMPANY OR ASSOCIATION FAILS TO
 PAY FOR ANY PART OR THE FULL AMOUNT OF
 THESE CHARGES.

GUEST QUARTERS
 100 SOUTH REYNOLDS STREET
 ALEXANDRIA VIRGINIA 22304
 PHONE (703) 370-9600
 TOLL FREE (800) 424-2900

GUEST'S SIGNATURE [Signature]

SUITE 207 RATE 72.00 +

MISC 1
 PARK

~~SECRET~~

October 18, 1984

MEMORANDUM

TO:
FROM: Edward Howard, Economic Analyst *EH*
SUBJECT: Travel to Boston, October 28 to November 1, 1984

b6
b7C

I hereby request that you authorize actual expense in lieu of per diem for the subject travel dates.

Approved: *GRP*

Date: *10/19/84*

Not Approved: _____

EH/prd

~~SECRET~~

1255

~~SECRET~~

VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE (99)	ENCUMBRANCE REVERSAL (53)		
Acct.-Agy.-Activ.	Line Item	Name of Line Item				
1-112.0	096.0	Out-State M & F	456.15	456.15	B	73-000417
	097.0	Out-State M & L	146.00	146.00	B	73-000417
FISCAL YEAR 73rd			GRAND TOTAL \$	602.15	602.15	

Vendor No.

Agency Name

STATE of NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

 PAYEE NAME
&
ADDRESS

Edward L. Howard

VOUCHER DATE

October 1, 1984

VOUCHER NUMBER

142

WARRANT NUMBER

B590075 10/3/84

CONTRACT NUMBER (if needed)

hand del 10/5

b6
b7c

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A or B	Encumbrance No.
Organization No.	Line Item						
GRAND TOTAL \$							

Originating Activity TOOL No.

FOR TRAVEL

JURAT: I, Edward L. Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects.

PAYEE SIGN HERE _____ TITLE Economic (if any) Analyst

NOTARY: Subscribed and sworn to before me at Santa Fe, NM this 1st day of October, 1984

Signed _____
Title Notary Public

(SEAL)
My commission expires April 21, 1988

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS _____

WITNESS _____

FOR PURCHASE

PAYEE SIGN HERE: I certify that the above bill is correct and just and that payment therefor has not been received.

X _____

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL: I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated; that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid.

NAME

Title

NAME

Title

AUTHORIZED SIGNATURE for DFA Payment

Date

1256

X

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE
Staff Mileage and Per Diem Record

Name: Ed Howard

Destination(s): Boston, Mass

Purpose of Trip: DRI Energy Seminar

Date/Time traveler left on trip: 9/27/84 9:30 AM
Date Time

Date/Time traveler returned: 9/29/84 2 PM * (Hypothetic
Date Time see next
page)

Mileage

Total miles traveled: 65 Pick up in Albuquerque miles @ 22 cents/mile \$ 14.30

Commercial transportation (receipts or tickets attached): \$ 380.00

Airplane. \$ 46.85

Taxi.

Parking. \$ 15.00

Other (specify) Shuttle Jack one way

Total mileage due \$ 456.15

Per Diem

Travel less than 24 hours (no overnight lodging required)

Between 6 and 12 hours = 6.00 \$

Between 12 and 18 hours = 13.00

Between 18 and 24 hours = 22.50

Travel for each 24-hour period (overnight lodging required)

In-state. = 48.00 \$

In-state special (Santa Fe) = 58.00

Out-of-state. = 70.00 2 days 140.00

Out-of-state special. = 95.00

(Metropolitan areas of New York, Washington D.C., Chicago,
Los Angeles, San Francisco and out of the country)

Travel following 24-hour period where overnight travel is
required, for each additional period:

Less than 6 hours. = 6.00 4 1/2 hours \$ 6.00

Between 6 and 12 hours = 13.00

Between 12 and 24 hours = 22.50

(Continued)

~~SECRET~~

1257

SECRET

ATC PASSENGER COUPON
DATE OF ISSUE: 31-11-54
DESTINATION: NEW YORK
ISSUED IN EXCHANGE FOR: 37 56674 6/BN/RHB111

PASSENGER NAME: HOWARD, H. M.

FROM	TO	CLASS	DATE	TIME	STATUS	FARE	DESIGNATOR
NEW YORK	NEWARK	DL	27/SEP	12:44	OK		
NEWARK	BOSTON	DL	27/SEP	13:17	OK		
BOSTON	NEW YORK	DL	28/SEP	14:11	OK		

FARE CALCULATION: 351.80
TAX: 28.15
TOTAL: 379.95

FORM OF PAYMENT: CASH
SERIAL NUMBER: 006 7295438445 1

CONTROL NO: 2441275617

DO NOT MARK OR WRITE IN THE WHITE AREA ABOVE

Amount \$ 30.85 Cab No. 323

Cab Company 1 + OA

Cab Fare from Logan Airport
to Stouffers (Bedford)

Date 9/27/80

DRIVER'S NAME

PAID
\$15.00
DATE 9/27/84
SHUTTLEJACK, INC.

3RENTWOOD TAXI 272-1060 ☐
3URLINGTON TAXI 272-0700 ☐

23288
9-28 8K

FOR TAXI SERVICES

FROM STOUTTERS
LOGAN

ACCOUNT NUMBER _____ DEPT. _____

ASSESSOR ☐

ARTICLES ☐

EC'D ROM _____

TO PAID
CASH
9/28/80

EC'D 3Y _____

AB _____ TRIP _____ WAITING TIME _____

RIVER _____

NO. _____
NO. PIECES _____

This is half of the other tax I shared because I shared it with another rider

CUSTOMER COPY

CHARGE VOUCHER
1258

SECRET

SECRET

VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE (99)	ENCUMBRANCE REVERSAL (53)		
Acct.-Agy.-Activ.	Line Item	Name of Line Item				
1-112.0	021.0	In-State M & F	63.80			
	022.0	In-State M & L	6.00			
	096.0	Out-State M & F	133.60	133.60	B	73-000417
	097.0	Out-State M & L	20.60	20.60	B	73-000417
FISCAL YEAR --73rd--			GRAND TOTAL \$	224.00	154.20	

Vendor No.

Agency Name

STATE of NEW MEXICO

LEGISLATIVE FINANCE COMMITTEE

VOUCHER DATE

July 16, 1984

VOUCHER NUMBER

11

WARRANT NUMBER

B438575 7/17/84

CONTRACT NUMBER (if needed)

hand del 7/17

PAYEE NAME
&
ADDRESS

Edward L. Howard

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A or B	Encumbrance No.
Organization No.	Line Item						
GRAND TOTAL \$							

Originating Activity TOOL No.

FOR TRAVEL

JURAT: I, Edward L. Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects.

PAYEE SIGN HERE _____ TITLE Economic Analyst

NOTARY: Subscribed and sworn to before me at Santa Fe, NM this 16th day of July, 19 84.

Signed _____ Title Notary Public

My commission expires April 21, 1988

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS _____

WITNESS _____

FOR PURCHASE

PAYEE SIGN HERE: I certify that the above bill is correct and just and that payment therefor has not been received.

X _____

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL: I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated, that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid.

NAME _____

Title Director

NAME _____

Title _____

AUTHORIZED SIGNATURE for DFA Payment

Date _____

SECRET

1259

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE
Staff Travel and Per Diem Record

Name:

Edward Howard

Destination(s):

El Paso, Tx

Purpose of Trip:

El Paso Gas - Co. Interview

Date/Time traveler left on trip:

9 July 1984

9 30 AM

Date

Time

Date/Time traveler returned:

9 July 1984

10 PM

Travel:

Total miles traveled: 130 miles @ 22 cents/mile
Commercial transportation (receipts or tickets attached):

Airplane

Taxi

Parking

Other (specify) _____

\$ 28.60

\$ 79.00

22.00

4.00

Office Info

() Only

Total paid directly to carrier travel agent.

Total travel due traveler.

133.60

Per Diem

Travel less than 24 hours when overnight
lodging is not required:

Between 6 and 12 hours = \$6.00

Between 12 and 18 hours = 13.00

Between 18 and 24 hours = 22.50

Travel for each 24-hour period where overnight lodging
is required:

In-state = \$48.00

In-state special (Santa Fe) = 58.00

Out-of-State = 70.00

Out-of-State special = 95.00

(Metropolitan areas of New York, Washington D.C., Chicago,
Los Angeles, San Francisco and out of the country)

Travel following 24-hour period where overnight travel is
required, for each additional period:

Less than 6 hours . . . = \$6.00

Between 6 and 12 hours = 13.00

Between 12 and 24 hours = 22.50

(Continued)

~~SECRET~~

~~SECRET~~

To:
From: Ed Howard *ed Howard*
Subject: Actual ^{Expenses} ~~to~~ for El Paso trip

b6
b7c

I hereby request that you authorize actual expenses in lieu
of per diem for my one day trip to El Paso, Texas on July 9, 1984.

Approved-----
Disapproved-----

Date

✓ CRP
7/6/84

~~SECRET~~

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE
Staff Travel and Per Diem Record

Name: Ed Howard
Destination(s): GRANTS
Purpose of Trip: Greater Grants Development Foundation
Date/Time traveler left on trip: 10 July 84 730 AM
Date Time
Date/Time traveler returned: 10 July 84 530 PM
Date Time

Travel:

Total miles traveled: 290 miles @ 22 cents/mile \$ 63.80
Commercial transportation (receipts or tickets attached):
Airplane \$
Taxi
Parking
Other (specify)

Total paid directly to carrier travel agent. () Office Info
Total travel due traveler. 63.80 Only

Per Diem

Travel less than 24 hours when overnight lodging is not required:
Between 6 and 12 hours = \$6.00. 0 hours \$ 6.00
Between 12 and 18 hours = 13.00.
Between 18 and 24 hours = 22.50.

Travel for each 24-hour period where overnight lodging is required: \$
In-state = \$48.00.
In-state special (Santa Fe) = 58.00.
Out-of-State = 70.00.
Out-of-State special = 95.00.
(Metropolitan areas of New York, Washington D.C., Chicago, Los Angeles, San Francisco and out of the country)

Travel following 24-hour period where overnight travel is required, for each additional period:
Less than 6 hours . . . = \$6.00.
Between 6 and 12 hours = 13.00.
Between 12 and 24 hours = 22.50.

~~SECRET~~

(Continued)

~~SECRET~~

VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE	ENCUMBRANCE		
Acct.-Agy.-Activ.	Line Item	Name of Line Item	(99)	REVERSAL (53)		
1-112.0	096.0	Out-State M & F	157.10	157.10	B	72-833
	097.0	Out-State M & L	101.00	101.00	B	72-833
FISCAL YEAR ..72nd..			GRAND TOTAL \$	258.10	258.10	

Vendor No.

Agency Name

STATE of NEW MEXICO

LEGISLATIVE FINANCE COMMITTEE

VOUCHER DATE

June 11, 1984

VOUCHER NUMBER

405

WARRANT NUMBER

B393088 6/13/84

CONTRACT NUMBER

desk 6/13

b6
b7cPAYEE NAME
&
ADDRESS

Edward L. Howard

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A or B	Encumbrance No.
Organization No.	Line Item						
Originating Activity TOOL No.			GRAND TOTAL \$				

FOR TRAVEL

JURAT: I, Edward L. Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects.

PAYEE SIGN HERE TITLE Economic Analyst

NOTARY: Subscribed and sworn to before me at Santa Fe, NM this 11th day of June, 19 84

Signed
Title Notary Public

My commission expires April 21, 1988

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS

WITNESS

FOR PURCHASE

PAYEE SIGN HERE: I certify that the above bill is correct and just and that payment therefor has not been received.

X

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL: I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated; that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid.

NAME Title Director

NAME Title

AUTHORIZED SIGNATURE for DFA Payment Date

✓

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE
Staff Travel and Per Diem Record

Name:

Ed Howard

Destination(s):

Los Angeles

Purpose of Trip:

Data Resources Contract

Date/Time traveler left on trip:

June 3, 1984 6:15 PM

Date

Time

Date/Time traveler returned:

June 4, 1984 9:30 PM

Travel:

Total miles traveled: 130 miles @ 22 cents/mile

\$ 28.60

Commercial transportation (receipts or tickets attached):

Airplane

\$ 98.00

Taxi

27.50

Parking

3.00

Other (specify) Albuquerque Airport

Total paid directly to carrier travel agent.

Office Info

Total travel due traveler.

(157.10) Only

Per Diem

In-State:

 days @ \$36.00 per day

\$

 days @ \$44.00 per day (special municipalities).

*

Out-State:

 days @ \$52.00 per day

\$

1 days @ ~~\$64.00~~ ^{95.00} per day (special O/S areas) Los Angeles

\$ 95.00 **

Upto 6 hours following partial day
Total travel and per diem due traveler

\$ 258.10

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

5 June 1984
Date

Ed Howard
Traveler's Signature

*Special municipalities: Alamogordo, Albuquerque, Artesia, Carlsbad, Clovis, Deming, Farmington, Gallup, Grants, Hobbs, Las Cruces, Las Vegas, Lovington, Portales, Roswell, Ruidoso, Santa Fe, Silver City, or Taos. (Must be overnight)

**Special out/state areas: Boston, New York City, Washington, D.C., Philadelphia, Dallas, Los Angeles, San Diego, San Francisco, Chicago, Houston, Atlanta, Denver, Kansas City, St. Louis, or New Orleans.

DLV/dv -- 04/30/83 (effective 10/25/82)

1265

~~SECRET~~

(ISSUANCE TICKET AND BAGGAGE CHECK - SUBJECT TO CONDITIONS CONTAINED IN THIS TARIFF) SOUTHWEST AIRLINES		(CONNECTION TICKET) ALBUQUERQUE		(DATE OF ISSUE) 27-11-81		(ORIGIN) ALBUQUERQUE		(DESTINATION) ALBUQUERQUE		(ISSUED IN EXCHANGE FOR) PSGR CPN		(FORM SERIAL NUMBER) 32 56629 4/DH/BHRM	
(PASSENGER NAME) HOWARD/ED.MR		(NOT TRANSFERABLE) NO		(STATUS) ADULT		(FARE BASIS) Y		(DESIGNATION) OK		(NOT VALID BEFORE) 01-11-81		(NOT VALID AFTER) 30-11-81	
(FROM) ALBUQUERQUE		(CARRIER) WN		(FLIGHT) 702		(CLASS) Y		(DATE) 03-11-81		(TIME) 930H		(STATUS) OK	
(TO) LOS ANGELES		(CARRIER) WN		(FLIGHT) 795		(CLASS) Y		(DATE) 04-11-81		(TIME) 415P		(STATUS) OK	
(TO) ALBUQUERQUE		(CARRIER) WN		(FLIGHT) 702		(CLASS) Y		(DATE) 03-11-81		(TIME) 930H		(STATUS) OK	
(TO) VOID		(CARRIER) WN		(FLIGHT) 702		(CLASS) Y		(DATE) 03-11-81		(TIME) 930H		(STATUS) OK	
(TO) VOID		(CARRIER) WN		(FLIGHT) 702		(CLASS) Y		(DATE) 03-11-81		(TIME) 930H		(STATUS) OK	
(FARE CALCULATION) 90.74		(TAXES) 45.37		(TOTAL) 136.11		(FARE BASIS) Y		(DESIGNATION) OK		(NOT VALID BEFORE) 01-11-81		(NOT VALID AFTER) 30-11-81	
(CITY) 7.26		(FARE) 93.00		(TAXES) 45.37		(TOTAL) 136.11		(FARE BASIS) Y		(DESIGNATION) OK		(NOT VALID BEFORE) 01-11-81	
(FORM OF PAYMENT) CASH		(AMOUNT) 3720		(SERIAL NUMBER) 507632		(DATE) 01006		(EXPIRATION) EXP12-85		(NOT VALID BEFORE) 01-11-81		(NOT VALID AFTER) 30-11-81	
(AIRLINE CODE) 526		(FORM) 727274		(SERIAL NUMBER) 1060		(DATE) 4		(EXPIRATION) EXP12-85		(NOT VALID BEFORE) 01-11-81		(NOT VALID AFTER) 30-11-81	
(STATION) 151/BHRM		(FARE) 93.00		(TAXES) 45.37		(TOTAL) 136.11		(FARE BASIS) Y		(DESIGNATION) OK		(NOT VALID BEFORE) 01-11-81	
(STATION) 44615367261		(FARE) 93.00		(TAXES) 45.37		(TOTAL) 136.11		(FARE BASIS) Y		(DESIGNATION) OK		(NOT VALID BEFORE) 01-11-81	

83693 06 1
DATE: 06/04/04
TIME: 07:50 PM
AMOUNT: \$3.00

SUNPORT
PARKING LOT
ALBUQUERQUE, N.M.

** THANK YOU **

~~SECRET~~

~~SECRET~~

VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE	ENCUMBRANCE		
Acct. Agy. Activ.	Line Item	Name of Line Item	(99)	REVERSAL (53)		
1-112.0	096.0	Out-State M & F	619.81	619.81	B	72-833
	097.0	Out-State M & L	545.00	545.00	B	72-83
FISCAL YEAR --72nd--			GRAND TOTAL \$	1,164.81	1,164.81	

Vendor No.	Agency Name STATE of NEW MEXICO	LEGISLATIVE FINANCE COMMITTEE
VOUCHER DATE May 25, 1984		
VOUCHER NUMBER 391		
WARRANT NUMBER B383832 6/5/84		
CONTRACT NUMBER (if needed) hand del 6/5		

PAYEE NAME
&
ADDRESS

Edward L. Howard

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A or B	Encumbrance No.
Organization No.	Line Item						
Originating Activity TOOL No.			GRAND TOTAL \$				

FOR TRAVEL

JURAT: I, Edward L. Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects.
PAYEE SIGN HERE _____ TITLE Economic Analyst
(if any)

NOTARY: Subscribed and sworn to before me at Santa Fe, NM
this 25th day of May, 19 84
Signed _____
Title Notary Public
(SEAL)
My commission expires April 21, 1988

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS _____

WITNESS _____

FOR PURCHASE

PAYEE SIGN HERE: I certify that the above bill is correct and just and that payment therefor has not been received.

X _____

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL: I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated; that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid.

NAME _____

Title _____

NAME _____

Title _____

AUTHORIZED SIGNATURE for DFA Payment _____

Date _____

1267

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE
Staff Travel and Per Diem Record

Name:

Edward Howard

Destination(s):

Philadelphia / Washington, D.C.

Purpose of Trip:

Chase Econometrics / Nat'l Tax Conference / Sen. Domenici Office

Date/Time traveler left on trip:

9¹⁰ PM 17 May 1984
Date Time

Date/Time traveler returned:

11³⁰ PM 23 May 1984

Travel:

Total miles traveled:

130

Santa Fe - Albuquerque Airport
miles @ 22 cents/mile

\$ 28.60

Commercial transportation (receipts or tickets attached):

Airplane

\$ 383.00

Taxi . . . May 18 Philadelphia & Washington

27.00

Parking

18.50

Other (specify) Train - Philadelphia Washington

26.50

Rental Car*

81.21

* 6 days at 149.85 + 12.64 gas = \$162.47 3 days or 50% for business = 81.21

Total paid directly to carrier travel agent.

(564.81)

Total travel due traveler.

564.81

Travel in
DC and to
Baltimore
for visit
to IRS
+ FEAC

Per Diem

In-State:

619.81

545.00

 days @ \$36.00 per day

\$

 days @ \$44.00 per day (special municipalities).

*

Out-State:

1 days @ \$70.00 per day Philadelphia

\$ 70.00

5 days @ \$95.00 per day (special O/S areas) Washington, DC

\$ 475.00

**

Total travel and per diem due traveler

\$ 1109.81

Conference Registration Fee

55.00

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

Total Due \$1164.81

May 24, 1983
Date

Edward L Howard
Traveler's Signature

*Special municipalities: Alamogordo, Albuquerque, Artesia, Carlsbad, Clovis, Deming, Farmington, Gallup, Grants, Hobbs, Las Cruces, Las Vegas, Lovington, Portales, Roswell, Ruidoso, Santa Fe, Silver City, or Taos. (Must be overnight)

**Special out/state areas: Boston, New York City, Washington, D.C., Philadelphia, Dallas, Los Angeles, San Diego, San Francisco, Chicago, Houston, Atlanta, Denver, Kansas City, St. Louis, or New Orleans.

DLV/dv -- 04/30/83 (effective 10/25/82)

~~SECRET~~

~~SECRET~~

26-305

\$2.00 Parking
D.C.
D *5/23/81*

DOWN

110 W.

ST.

Baltimore
IRS Visit

Parking

5/22

**

- 033

6.00

6.00

CSH A E

- 555505 / 22 / 81

71794 11 1

DATE: 05/23/84

TIME: 09:59 PM

AMOUNT: \$10.50

SUPPORT
PARKING LOT
ALEBUERGUE, N.M.

** THANK YOU **

~~SECRET~~

1269

~~SECRET~~

ISSUED BY **FRONTIER AIRLINES** PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO CONDITIONS OF CONTRACT ON PASSENGER'S COUPON

ENDORSEMENTS (CARBON) _____

NAME OF PASSENGER _____ NOT TRANSFERABLE

DATE OF ISSUE **04/19/64**

ORIGIN _____

DESTINATION _____

ISSUED IN EXCHANGE FOR _____

DATE AND PLACE OF ORIGINAL ISSUE _____

TOUR CODE _____

CONJUNCTION TICKET(S) _____

NOT GOOD FOR PASSAGE	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS/TKT DESIGNATOR	NOT VALID BEFORE	NOT VALID AFTER	ALL
FROM CHICAGO	FL	32		27 MAY	7:00 PM					
TO DENVER	FL	32		27 MAY	7:00 PM					
TO ATLANTA	FL	32		27 MAY	7:00 PM					
TO PHILADELPHIA	FL	32		27 MAY	7:00 PM					
TO SFO	FL	32		27 MAY	7:00 PM					

FARE CALCULATION

FARE _____

TAX _____

TOTAL _____

ROUTE CODE _____

CN _____

TICKET NUMBER **037659103**

FORM OF PAYMENT _____

028 44586380

ISSUED BY **FRONTIER AIRLINES** PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO CONDITIONS OF CONTRACT ON PASSENGER'S COUPON

ENDORSEMENTS (CARBON) _____

NAME OF PASSENGER _____ NOT TRANSFERABLE

DATE OF ISSUE **04/23/64**

ORIGIN _____

DESTINATION _____

ISSUED IN EXCHANGE FOR _____

DATE AND PLACE OF ORIGINAL ISSUE _____

TOUR CODE _____

CONJUNCTION TICKET(S) _____

NOT GOOD FOR PASSAGE	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS/TKT DESIGNATOR	NOT VALID BEFORE	NOT VALID AFTER	ALL
FROM CHICAGO	FL	32		27 MAY	7:00 PM					
TO DENVER	NH	325		18 MAY	8:55					
TO WASHINGTON/DC	FL	325		23 MAY	8:55					
TO DENVER	FL	325		23 MAY	8:55					

FARE CALCULATION

FARE **140.00**

TAX **21.72**

TOTAL **161.72**

ROUTE CODE _____

CN _____

TICKET NUMBER **056534334**

FORM OF PAYMENT **AX372050765201000A**

028 4480765484

~~SECRET~~

1270

LICENSEE
*Feel the Quality
Enjoy the Savings*
FOR RESERVATIONS
CALL TOLL FREE
1-800-FOR-CARS
(800-367-2277)

WELCOME CORPORATION
WASHINGTON BUIL.
200 JEFFERSON DAVIS HWY
ARLINGTON, VA 22202
(703) 543-1000
105 EIGHT STREET
ARLINGTON, VA 22208
(703) 543-1000

SECRET

MINIMUM RENTAL ONE DAY PLUS MILEAGE.
RENTER IS RESPONSIBLE FOR ALL PARKING AND TRAFFIC VIOLATIONS.
RATES DO NOT INCLUDE GAS.
CUSTOMER MUST REPORT ALL ACCIDENTS, NOTIFY LOCAL POLICE AND COMPLETE THRIFTY ACCIDENT REPORT.

CONFIRMATION NO. 205724	TYPE RES. 2	TYPE RNTD 2	RATE 1	SOURCE TX	COMM.
WHITE FILE NO.					
COMPANY NAME			PHONE		
ADDRESS			STATE ZIP		
RENTER EDWARD L HOWARD			HOME PHONE		
ADDRESS			CITY STATE ZIP		
DRIVERS LICENSE NO. 301-10129			STATE/PROV VA		
EXPIRES	DATE OF BIRTH	WEIGHT	HEIGHT	COLOR	EYES
LOCAL CONTACT			PHONE		
ADDITIONAL INFORMATION					
INSTRUMENTS					
ADD					
DR					

ALTERNATE VEHICLE	VEHICLE NUMBER 4706
DATE/TIME	MAKE Holston
MILE IN	MODEL
MILE OUT	LICENSE PLATE NUMBER 782
TOTAL MILES DRIVEN	OWNING CITY 0101
DATE & TIME IN	VEHICLE WILL BE RETURNED DATE 23 MAR 1984
DATE & TIME OUT	DATE & TIME IN
TOTAL MILES DRIVEN	TIME USED 56.35 hr
LESS MILES ALLOWD	PER MILE
CHARGEABLE MILES	DAYS
MILES ALLOWD	WKS
FOR THIS RATE TO APPLY:	HRS
MINIMUM RENTAL MUST BE	PER DAY / WK / MO
VEHICLE MUST BE RETURNED BY	
PHYSICAL DAMAGE RESPONSIBILITY	SUB TOTAL
MY RESPONSIBILITY IS	TIME PLUS MILES CHARGE
OR ZERO TO ACCEPT THE PHYSICAL DAMAGE WAIVER (PDW) AT THE RENTAL OFFICE	P.D.W. DAYS @
RETURN LOCATION	RETURN FEE
AGREED LOCATION	TAXABLE GASOLINE
ACTUAL LOCATION	SUB TOTAL
G OUT E % % % F	TAX OR SURCHARGE
A IN E % % % F	NON-TAXABLE GASOLINE
PERSONAL ACCIDENT INSURANCE (P.A.I.)	MISC. ADJUSTMENTS
I ACCEPT/DO NOT ACCEPT THE RATE AT THE RATE. SEE CERTIFICATE FOR BENEFITS AND EXCLUSIONS AVAILABLE AT THE RENTAL OFFICE.	P.A.I. DAYS @
DEPOSIT OR PREPAID VOUCHER	NET AMOUNT
ADDITIONAL DEPOSIT	VOUCHER AMOUNT
DATE RECD	CASH COLLECTED
REFUND REC'D BY	NET DUE THRIFTY
RA OUT BY	RA IN BY
RA BY/DATE	DBR BY/DATE

AMEX	MC	VISA	DC	CS	Thrifty CB	Thrifty DB	OTHER
TO BE PAID BY							
3720 507632 01006							
01/84 THRU 12/85							
EDWARD L HOWARD							
CAR RENT							
SIGNATURE. I HAVE READ AND AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT. I AUTHORIZE THRIFTY TO DEBIT MY CREDIT CARD VOUCHER, IF ANY, OR CHARGE MY CREDIT CARD.							
X- 101-10129							

~~SECRET~~

AMOUNT DUE	
AMOUNT PAID	
BALANCE DUE	

NO. _____ DATE 5/18/84 1984
RECEIVED FROM Station
Fifty Rent Air 100 DOLLARS
FOR 9.00 Taxi
SIGNED SR

YELLOW
LIMOUSINE
SERVICE



DATE 18 May 1984

RECEIVED FROM Taxi/Limo Philadelphia Airport to
Bala Cynward 8.00 DOLLARS

AMOUNT OF ACCOUNT		
THIS PAYMENT		
BALANCE DUE		

☐ CASH
☐ CHECK
☐ MO

6 You

b6
b7C

DRIVER'S RECEIPT

DATE 5/18/84

Metro Transportation Co.,

VIA YELLOW CAB CO
1010 ARCH STREET - 8TH FLOOR
PHILADELPHIA, PA 19107

CAB NO. 945 TIME A.M.

RECEIVED FROM M

DOLLARS	CENTS
<u>10.00</u>	<u>00</u>

FOR TRIP FROM _____

DRIVER [Redacted] IDENTITY 83120803

Philadelphia Transit Department
telephone number is 922-7180.
Thank you for using Yellow Cab.

PASSING RECEIPT
NOT FOR CARRIAGE

DATE OF SALE 18 MAY 84
TICKET NO. 3720507632010
COACH
WELCOME ABOARD
PHILAS UNRESERVED
FROM TO
DEPARTURE DATE
TIME
TRAIN NO.
ACT NUMBER
PRICE
NO. OF
FARE PLAN
TOTAL CHARGE
FARE
ACCOM. CHARGE
RES. NO.

AMIRAL SERVICE

b6
b7C

~~SECRET~~

Date Mar 21 1984

Received from

Registration

For the 1984 Symposium, "Agendas for Dealing with Deficits," May 21 and 22, The Marriott Crystal Gateway Hotel, Arlington, Virginia.

National Tax Association-Tax
Institute of America

F

b6
b7C

44-370 641 10002K

EDWARD L. HUNTER

SAVE THIS COPY FOR YOUR RECORDS

4549130326 072-04

SRD ASSOCIATES
8020 LEESBURG PK
VIENNA VA 704

1001254

PROD CODE TOTAL CHARGE

1134

INITIAL TO VERIFY EXPIRATION DATE

THE TERMS OF THIS AGREEMENT ARE CONTAINED ON BOTH SIDES OF THIS PAGE.

550904

INVOICE NUMBER

SELLER'S

PRODUCT/SERVICES	QUAN	PRICE	AMOUNT
☐ SELL REG ☐ SELL UNL ☐ SELL SCALE UNL ☐ SELL FRIE AND KID ☐ OTHER			1264
OTHER			
DRIVER LICENSE NO.		SALES TAX	
		TOTAL	1264
STATE		\$	

NOTICE TO BUYER: (1) DO NOT SIGN THIS AGREEMENT BEFORE YOU HAVE READ IT OR IF ANY OF THE SPACES INTENDED FOR THE AGREED TERMS ARE LEFT BLANK. (2) YOU ARE ENTITLED TO A COPY OF THIS AGREEMENT AT THE TIME YOU SIGN IT. KEEP IT TO PROTECT YOUR LEGAL RIGHTS. (3) YOU MAY AT ANY TIME PAY OFF THE FULL UNPAID BALANCE UNDER THIS AGREEMENT. I HEREBY ACKNOWLEDGE RECEIPT OF A COMPLETED EXECUTED COPY OF THIS AGREEMENT INCLUDING THE CURRENT TERMS OF THE DEFECT CARD AGREEMENT REFERENCED ON THE OTHER SIDE

BUYER'S SIGNATURE
X Edward

VEHICLE TAG NO. 1264 12642

STATE VA

AUTHOR NO.

~~SECRET~~

1 VOUCHER

CLASSIFICATION			AMOUNTS		A or B	Encumbrance No. (Include appropriate Fiscal Year)
CODES		DESCRIPTION	EXPENDITURE	ENCUMBRANCE		
Acct.-Agy.-Activ.	Line Item	Name of Line Item	(99)	REVERSAL (53)		
1-112.0	021.0	In-State M & F	28.60			
	022.0	In-State M & L	6.00			
	096.0	Out-State M & F	291.60	291.60	B	72-833
	097.0	Out-State M & L	192.00	192.00	B	72-833
FISCAL YEAR ..72nd..			GRAND TOTAL \$	518.20	483.60	

Vendor No.

Agency Name

STATE of NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

VOUCHER DATE

April 6, 1984

VOUCHER NUMBER

330

WARRANT NUMBER

B 300306 4/10/84

CONTRACT NUMBER (if needed)

hand del PD

PAYEE NAME

&

ADDRESS

Edward Howard

Non DFA Use

CODES		Invoice Date	DESCRIPTION	EXPENDITURE	ENCUMBRANCE REVERSAL	A or B	Encumbrance No.
Organization No.	Line Item						
Originating Activity TOOL No.			GRAND TOTAL \$				

FOR TRAVEL

JURAT: I, Edward Howard, do solemnly swear that the above account and the within itemized statement are just and true in all respects

PAYEE

SIGN HERE

TITLE EA
(if any)NOTARY: Subscribed and sworn to before me at Santa Fe, NM
this 6th day of April, 1984

Signed

Title Notary Public

(SEAL)

My commission expires

OR IN LIEU OF NOTARIZATION, signature witnessed by:

WITNESS

WITNESS

FOR PURCHASE

PAYEE SIGN HERE: I certify that the above bill is correct and just and that payment therefor has not been received

X

FOR BOTH TRAVEL and PURCHASE

AGENCY APPROVAL: I, or We, certify that the above articles were received in good condition after due inspection thereof, or the services were rendered as stated, that they were necessary and proper and that the amounts claimed are just and reasonable and that no part thereof has been paid.

NAME

Title

Director

NAME

Title

AUTHORIZED SIGNATURE for DFA Payment

Date

~~SECRET~~
LEGISLATIVE FINANCE COMMITTEE
Staff Travel and Per Diem Record

Name:

Edward L. Howard

Destination(s):

New Orleans, LA

Purpose of Trip:

FERC Natural Gas Course

Date/Time traveler left on trip:

28 March 11 AM

Date/Time traveler returned:

31 March 1 PM

Travel:

Total miles traveled:

130 miles @ 22 cents/mile RT Santa Fe - Albuquerque \$28.60

Commercial transportation (receipts or tickets attached):

Airplane

Taxi

Parking

Other (specify)

\$235.50

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

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\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

\$28.00

Total paid directly to carrier travel agent

Total travel due traveler

Per Diem

In-State

days @ \$36.00 per day

days @ \$44.00 per day (special municipalities)

Out-State

days @ \$52.00 per day

3 days @ \$64.00 per day (special O/S areas)

Total travel and per diem due traveler

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

2 April 1984

Date

Traveler's Signature

*Special municipalities: Alamogordo, Albuquerque, Artesia, Carlsbad, Clovis, Deming, Farmington, Gallup, Grants, Hobbs, Las Cruces, Las Vegas, Lovington, Portales, Roswell, Ruidoso, Santa Fe, Silver City, or Taos. (Must be overnight)

**Special out/state areas: Boston, New York City, Washington, D.C., Philadelphia, Dallas, Los Angeles, San Diego, San Francisco, Chicago, Houston, Atlanta, Denver, Kansas City, St. Louis, or New Orleans.

DLV/dv -- 04/30/83 (effective 10/25/82)

* I drove back from New Orleans (1157 miles) but I am claiming what the trip would have cost had I taken the train. I leave Sunday 3/31/84.

~~SECRET~~

Telephone # _____

Bell Co.

CAB COMPANY

PASSENGER'S RECEIPT, TAXICAB FARE

Date

2/28/84 1984

Amount of Fare \$ 14.00

Other Charges \$ 1.10

To

[Redacted Box]

Driver's Name

Cab Number

257

b6
b7C

AMERICAN AIRLINES
ENDORSEMENTS/INSTRUCTIONS/FAVORABLE

(CONNECTION TICKETS)

ATC PASSENGER COUPON
27 MAR 84

ALBUQUERQUE
ALBUQUERQUE

See below for Airline
Form, Serial Number

CAMELOT WORLD TVL

DSCR CPN
SANTA FE

32 71624.0/UXZANH

PASSENGER'S NAME
HOWARD/ED

NOT TRANSFERABLE

FROM	TO	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS	DESIGNATOR
ALBUQUERQUE	AA	284	Y	28MAR	144P	OK	YX		
X DALLAS/FT WORTH	AA	144	Y	28MAR	805P	OK	YX		
O NEW ORLEANS	DL	357	N	31MAR	635P	OK	VWAP3		
X DALLAS/FT WORTH	DL	353	N	31MAR	909P	OK	VWAP3		
ALBUQUERQUE									

FARE 217.59 28MAR ABO AA-XDFW AA MSY125.00 DL-XDFW DL ABQ92.59 TL217.59

TAX 17.41

TOTAL 235.00

FORM OF PAYMENT

CPN AIRLINE CODE FORM SERIAL NUMBER 5 001 7251503985 5 0011 10

00117
50672059001

DO NOT MARK OR WRITE IN THE WHITE AREA ABOVE

~~SECRET~~

1276

~~SECRET~~

LEGISLATIVE FINANCE COMMITTEE
Staff Travel and Per Diem Record

Name:

Ed Howard

Destination(s):

Albuquerque

Purpose of Trip:

UNM - Dept Economics - LFC Economic Advisor RFD

Date/Time traveler left on trip:

4/4/84 10:45 AM

Date/Time traveler returned:

4/4/84 5:30 PM

Travel:

Total miles traveled: 130 miles @ 22 cents/mile

\$ 28.60

Commercial transportation (receipts or tickets attached):

Airplane

Taxi

Parking

Other (specify)

Total paid directly to carrier travel agent:

Total travel due traveler

Office Info
() Only

28.60

Per Diem

In-State: 6.75 hours

~~14~~ days @ \$36.00 per day

6.00 not overnight

\$ 6.00

~~14~~ days @ \$44.00 per day (special municipalities)

Out-State:

~~14~~ days @ \$52.00 per day

~~14~~ days @ \$64.00 per day (special O/S areas)

Total travel and per diem due traveler

\$ 34.60

I CERTIFY THAT THE INFORMATION ON THIS FORM IS ACCURATE

Date

4/5/84

Traveler's Signature

Ed Howard

*Special municipalities: Alamogordo, Albuquerque, Artesia, Carlsbad, Clovis, Deming, Farmington, Gallup, Grants, Hobbs, Las Cruces, Las Vegas, Lovington, Portales, Roswell, Ruidoso, Santa Fe, Silver City, or Taos. (Must be overnight)

**Special out/state areas: Boston, New York City, Washington, D.C., Philadelphia, Dallas, Los Angeles, San Diego, San Francisco, Chicago, Houston, Atlanta, Denver, Kansas City, St. Louis, or New Orleans.

DLV/dv -- 04/30/83 (effective 10/25/82)

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/4/85

[] was apprised as to the nature of the interview, as well as the identities of the interviewing agents, after which he provided the following information:

He has known EDWARD LEE HOWARD since [] through common employment, THE LEGISLATIVE FINANCE COMMITTEE (LFC). HOWARD often talked about computers and seemed knowledgeable about computers. He talked little of himself or his family, but did indicate that he had traveled throughout the world in a previous government post, possibly with the Peace Corps.

Although he got along well with his fellow employees, he seemed to develop a close relationship to []

HOWARD impressed [] as a professional person, somewhat lazy, but, nonetheless, knowledgeable of his job as an Economic Analyst.

HOWARD spoke little of his interests or hobbies, but on one occasion, shortly after being involved in a felony charge by discharging a gun, said that he went to the mountains "to clear his head." [] was not aware of HOWARD ever being involved in any camping or hiking and found it strange that he, (HOWARD) would stay in the mountains for what proved to be a ten day period. [] assumed that when HOWARD spoke of the mountains, that he was referring to the Pecos Wilderness, although HOWARD never specifically said where he stayed.

Equally surprising to [] was his sudden disappearance and resignation from the LFC.

Following descriptive data was obtained by observation and interview of []

Name:
Sex:
Race:

Investigation on 10/1/85 at Santa Fe, New Mexico File # Albuquerque 65A-590
by SA [] DPW:mev Date dictated 10/1/85

1278

~~SECRET~~

~~SECRET~~

AQ 65A-590

Continuation of FD-302 of

, On 10/1/85 , Page 2

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Date of Birth:
Place of Birth:
Address:

Telephone:
Employment:

Legislative Finance Committee
Santa Fe, New Mexico

1279

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/11/85

#108

[redacted] was interviewed at his place of employment, [redacted] by Special Agents [redacted] Upon being informed of the official identities of the interviewing agents and the nature of the inquiry, [redacted] provided the following information:

[redacted] advised that he had worked with EDWARD LEE HOWARD in the state government of New Mexico from the time [redacted] He advised that HOWARD worked for the Legislative Finance Committee while he [redacted] [redacted] advised that his relationship extended beyond business and that he knew him casually on a personal basis.

Investigation on 10/9/85 at [redacted] File # Albuquerque 65A-590
by SA [redacted] S Mrs/bla Date dictated 10/10/85

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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Continuation of FD-302 of [REDACTED], On 10/9/85, Page 2

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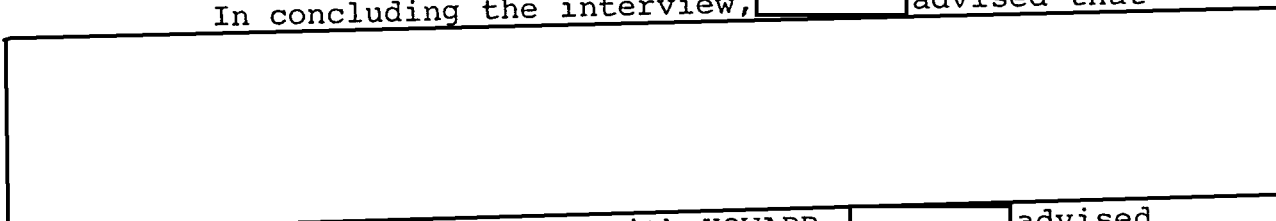
[REDACTED] advised that he had first met HOWARD when HOWARD started working at the Legislative Finance Committee. He described HOWARD as being a very private individual, but could socialize easily. He stated that he knew that HOWARD drank and that he had attended a Wild Life meeting in Albuquerque, where HOWARD had passed out from drinking. He also stated that HOWARD seemed to be intoxicated while at [REDACTED] [REDACTED] also advised that he occasionally saw HOWARD when HOWARD traveled to Albuquerque and had, in fact, [REDACTED] but he could not remember the exact dates.

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[REDACTED] also advised that the joke [REDACTED] [REDACTED] was that HOWARD was a Russian spy. When questioned why they came to this conclusion, he stated that it was mostly because HOWARD spoke Russian and spoke of going to work in Moscow with the State Department. It was also based, in part, on what [REDACTED] described as erratic behavior on the part of HOWARD.

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In concluding the interview, [REDACTED] advised that

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so he had something in common with HOWARD. [REDACTED] advised that [REDACTED] the New Mexico Attorney General's Office, may know the current whereabouts of [REDACTED] in case he is needed for an interview.

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~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

LEAD 184Date of transcription 11/14/85

[redacted]
 was interviewed at his place of employment by Special Agents [redacted] Upon being informed of the official identity of the interviewing agents and of the nature of the inquiry, [redacted] provided the following information concerning EDWARD LEE HOWARD:

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b7C

[redacted] was questioned concerning any relationship, professional or otherwise, between EDWARD LEE HOWARD and [redacted] [redacted] stated that he knew that [redacted] and HOWARD were acquainted with each other and [redacted] [redacted] also stated that he did not know of any relationship between HOWARD and [redacted] other than a professional one.

~~SECRET~~

Classified by ~~G-3~~
 Declassify on: OADR

Investigation on 11/13/85 at Albuquerque, New Mexico File # Albuquerque 65A-590-2, 66-17/
 by SA [redacted] mrs/bla Date dictated 11/13/85

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b7C

1282

~~SECRET~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/22/85

[redacted]
[redacted] was advised of the identities of the interviewing agents and of the nature of the interview regarding EDWARD L. HOWARD; after which, she furnished the following information:

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Investigation on 10/17/85 at Albuquerque, New Mexico File # Albuquerque 65A-590-SUB 1-080

by SA [redacted] /bla 1283 Date dictated 10/17/85

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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~~SECRET~~Continuation of FD-302 of _____, On 10/17/85, Page 2b6
b7C

_____ advised she held great respect for HOWARD as being highly qualified in the field of economics. She described him as "conscientious, warm, caring" and an individual who held "the respect of his fellow workers". On unspecified occasions, HOWARD had informed _____ that he had previously been employed with the U.S. State Department and had lived in this capacity in Moscow, Soviet Union. She claimed that he never gave her the details of his employment while with the State Department or any specifics, whatsoever, concerning his activities while in the Soviet Union. Additionally, she was aware that he had served in the Peace Corps in an unidentified country in South America. _____ was obviously reticent to furnish any details concerning HOWARD'S background which he had spoken about.

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b7C

_____ pointed out that she was "very fond of Mr. HOWARD" and suggested that the Federal Arrest Warrant was a result of "premature allegations" from a Russian defector. She added that she feels he has already "been convicted by the press". She then questioned if it was right for the Federal government to "trust a defector and take every word he says as truth".

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b7C

_____ recalled that HOWARD had made a business trip to Washington, D.C., in October, 1983. She claimed only to have knowledge that he had made the trip and refused to state if he had ever furnished her any details of his activities while in the Washington, D.C., area. It was pointed out to her that _____ She was

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b7C

asked if _____ had ever discussed with her any of HOWARD'S activities while in travel status. She advised she had never discussed the matter in any way with _____. She added that, likewise, she had had no discussions whatsoever with _____ concerning HOWARD since his disappearance and the resulting media coverage.

She denied having any knowledge of any other travel HOWARD had made, either professionally or personally. She also denied ever having met any of his friends or hearing him identify any individual other than those he worked with every day in his office.

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~~SECRET~~Continuation of FD-302 of , On 10/17/85, Page 3b6
b7C

advised she had no further information of value to furnish regarding her past association with HOWARD, his personal or professional life or his current whereabouts.

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The above interview was conducted at request

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~~SECRET~~

ROYAL CITY RADIO CONTROL CLUB MEMBERS

~~SECRET~~

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~~SECRET~~

AQ 65A-590
CSD:mev

1

The following investigation was conducted by Special Agent [REDACTED]

AT [REDACTED] LEAD 138-V

On October 15, 1985, [REDACTED] advised he was a member of the ROYAL CITY RADIO CONTROL CLUB, however, [REDACTED] He advised he has never met EDWARD LEE HOWARD and could furnish no information of lead value.

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Classified by G-3
Declassify on: OADR

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AQ 65A-590
CSD:mev

~~SECRET~~

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The following investigation was conducted by Special Agent [REDACTED]

AT [REDACTED] LEAD 138-N

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b7C

On October 15, 1985, [REDACTED]
[REDACTED] advised [REDACTED] the ROYAL CITY RADIO CONTROL CLUB. He has not met EDWARD LEE HOWARD, nor could he furnish information of lead value.

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~~SECRET~~

Classified by G-3
Declassify on OADR

(-5) 2-20-85

~~SECRET~~

AQ 65A-590
CSD:mev

1

The following investigation was conducted by Special Agent [REDACTED]

AT [REDACTED] LEAD 138-L

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b7C

On October 15, 1985, [REDACTED]
[REDACTED] advised he is a member of the ROYAL CITY RADIO CONTROL CLUB. He advised he has never met EDWARD LEE HOWARD and could provide no information of lead value.

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~~Classified by G-3
Declassify on: OADR~~

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~~SECRET~~

AQ 65A-590
JKH:mev

The following investigation was conducted by Special Agent [REDACTED]

AT [REDACTED] LEAD 138-M

On October 15, 1985, [REDACTED] was telephonically contacted regarding EDWARD LEE HOWARD, by Special Agent [REDACTED]

[REDACTED] was advised of the identity of the interviewing agent and provided the following information:

[REDACTED] was not aware that HOWARD was a member of the ROYAL CITY RADIO CONTROL CLUB.

[REDACTED] has never met HOWARD and had no information regarding him.

~~SECRET~~

~~Classified by G-3~~
~~Declassify on: OADR~~

~~SECRET~~

AQ 65A-590
JKH:mev

1

The following investigation was conducted by Special Agent [REDACTED]

AT [REDACTED] LEAD 138-F

On October 15, 1985, [REDACTED] was telephonically contacted re EDWARD LEE HOWARD by SA [REDACTED]. He was advised of the identity of the interviewing agent and furnished the following information:

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[REDACTED]
[REDACTED] has been a member of the ROYAL CITY RADIO CONTROL CLUB [REDACTED]. He has never met HOWARD and had no information regarding him.

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Classified by G-3
Declassify on OADR

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AQ 65A-590
JKH:mev

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The following investigation was conducted by Special Agent [REDACTED]

AT [REDACTED] LEAD 138-H

On October 15, 1985, [REDACTED] was telephonically interviewed regarding EDWARD LEE HOWARD by Special Agent [REDACTED]. He was advised of the identity of the interviewing agent and provided the following information. LEAD 138-H.

[REDACTED]
[REDACTED] He has been a member of the ROYAL CITY RADIO CONTROL CLUB [REDACTED]. He said he never met HOWARD and had no information regarding him.

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Classified by G-3
Declassify on: OADR

~~SECRET~~

AQ 65A-590
CSD:sjh

~~CSD~~

- 1 -

The following investigation was conducted by SA [REDACTED]

AT [REDACTED] (LEAD #138-U)

On October 10, 1985, [REDACTED] Member of ROYAL
CITY RADIO CONTROL CLUB, home address, [REDACTED]
[REDACTED] advised he has known EDWARD LEE HOWARD only through
the RADIO CONTROL CLUB. [REDACTED]

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b7C

[REDACTED] could furnish no information of lead value.

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65A 590-5012 57

~~SECRET~~

AQ 65A-590
CSD:sjh

- 1 -

The following investigation was conducted by SA [REDACTED]
[REDACTED]

AT [REDACTED] (LEAD #138-S)

On October 10, 1985, [REDACTED]

[REDACTED] advised he is employed [REDACTED]
[REDACTED]

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b7c

[REDACTED] advised he is a member of the ROYAL CITY RADIO CONTROL CLUB, however, he has never met EDWARD LEE HOWARD, nor has he had any contact with him.

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~~SECRET~~

AQ 65A-590

CSD:sjh

WJ
- 1 -

The following investigation was conducted by SA [REDACTED]
[REDACTED]

AT [REDACTED] (LEAD #138-D)
[REDACTED]
[REDACTED]

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b7C

[REDACTED] is a member of the ROYAL CITY RADIO CONTROL CLUB of which EDWARD LEE HOWARD is a member. [REDACTED] said that he did not know HOWARD, and had never seen him at a club meeting.

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~~SECRET~~

AQ 65A-590
CSP:sjh

- 1 -

The following investigation was conducted by SA'S

AT [REDACTED] (LEAD#138-Q)

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b7C

[REDACTED]
[REDACTED] He is currently a member
of the ROYAL CITY RADIO CONTROL CLUB, however, he does not know
EDWARD LEE HOWARD.

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~~SECRET~~

AQ 65A-590
CSD:sjh

- 1 -

The following investigation was conducted by SA [REDACTED]

[REDACTED]

AT [REDACTED] (LEAD #138-K)

[REDACTED]

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b7C

[REDACTED]

[REDACTED] the ROYAL CITY RADIO CONTROL CLUB. After observing a photograph of EDWARD LEE HOWARD, [REDACTED] said he vaguely recalls having seen, and possibly talking with HOWARD. His only contact with HOWARD was through the RADIO CONTROL CLUB. No effort to solicit information regarding his job was made by HOWARD.

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65A 510-1001-5

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AQ 65A-590
JKH:sjh
JKH

- 1 -

The following investigation was conducted by SA'S

[REDACTED]
AT SANTA FE, NEW MEXICO (LEAD #138)

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b7C

On October 9, 1985, [REDACTED] was interviewed regarding EDWARD HOWARD, at [REDACTED] was advised of the identity of the interviewing agents and provided the following information:

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b7C

[REDACTED] the ROYAL CITY RADIO CONTROL CLUB (RCRCC), a club of approximately 44 members, who share an interest in flying radio controlled model airplanes. [REDACTED] said HOWARD is a club member.

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[REDACTED] never saw HOWARD at the flying field, and never met him socially. He had no information regarding HOWARD'S friends or associates.

[REDACTED] provided a list of RCRCC club members, and said that [REDACTED]

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b7C

A copy of [REDACTED] list is in a 1A envelope.

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1298

100-65517-15

AQ 65A-590
JKH:sjh
JKA

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- 1 -

The following investigation was conducted by SA [REDACTED]
[REDACTED]

AT [REDACTED] (LEAD #138-P)

On October 10, 1985, [REDACTED] was interviewed at [REDACTED] regarding EDWARD L. HOWARD. [REDACTED] was advised of the identity of the interviewing agent, and provided the following information:

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b7C

[REDACTED]
[REDACTED] is a member of the ROYAL CITY RADIO CONTROL CLUB (RCRCC), and met HOWARD through the club three times. [REDACTED]
[REDACTED]

b6
b7C

HOWARD had an old, used plane with him that [REDACTED] described as very heavy for its size and power. HOWARD'S plane needed repairs, and he was unable to fly it [REDACTED]
[REDACTED]

[REDACTED]
[REDACTED] heard that HOWARD again went to the flying site, and [REDACTED]
[REDACTED]
[REDACTED]

b6
b7C

HOWARD had his wife and son with him at the flying site, but [REDACTED] never conversed with them about anything but routine topics.

[REDACTED] said HOWARD may have been aware that [REDACTED] but said that HOWARD never asked him about his job.

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[REDACTED] said HOWARD seemed like a nice guy, who knew nothing about planes, but was eager to learn. HOWARD showed no unusual interest in radios, and did not attend club meetings during July, 1985 or August, 1985.

[REDACTED] had no information regarding HOWARD'S friends or associates.

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(U) 65A-590-15-1

~~SECRET~~

AQ 65A-590
JKH:sjh
JKN

- 1 -

The following investigation was conducted by SA []

AT [] (LEAD #138-O)

b6
b7C

On October 10, 1985, [] was interviewed at []
[] regarding EDWARD L. HOWARD.
[] was advised of the identity of the interviewing agent,
and provided the following information:

[] has been a member of the ROYAL CITY RADIO
CONTROL CLUB for []

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[] has never met HOWARD, and did not see him at []
[] did not
recognize photographs of HOWARD.

[] had no information regarding HOWARD or any of
his associates or activities.

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1300

65A-590-100-100

~~SECRET~~

AQ 65A-590
JKH:sjh
JKH

- 1 -

The following investigation was conducted by SA [REDACTED]
[REDACTED]

AT [REDACTED] (LEAD #138-B)

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b7C

On October 10, 1985, [REDACTED] was interviewed at [REDACTED]
[REDACTED] regarding EDWARD L. HOWARD. [REDACTED]
was advised of the identity of the interviewing agent, and provided
the following information.

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[REDACTED] has never met HOWARD through the RCRCC or other-
wise. He viewed photographs of HOWARD, and said he had never
seen him before, other than through recent newspaper articles.

~~SECRET~~

1301

65A-590-SUB13 - 93

~~SECRET~~

AQ 65A-590
JKH:sjh
JKH

- 1 -

The following investigation was conducted by SA [REDACTED]
[REDACTED]

AT [REDACTED] (LEAD #138-C)

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On October 10, 1985, [REDACTED] was interviewed at
[REDACTED] He was advised of the
identity of the interviewing agent, and provided the following
information:

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[REDACTED] has never met EDWARD HOWARD through RCRCC or
any other situation. When shown a photograph of HOWARD, [REDACTED]
said he had never met HOWARD.

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65A-590-SUB13-94

~~SECRET~~

AQ 65A-590
CSD:sjh

CSJ

- 1 -

The following investigation was conducted by SA [REDACTED]
[REDACTED]

AT [REDACTED] (LEAD #138-I)

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b7C

On October 16, 1985, [REDACTED]

[REDACTED] advised he is a member of the ROYAL CITY RADIO CONTROL CLUB, [REDACTED]

[REDACTED] does not know HOWARD, and could not furnish information of lead value.

~~SECRET~~

1303

(, 65) 579-6 1.12-117

~~SECRET~~

AQ 65A-590
CSD:sjh

asg

- 1 -

The following investigation was conducted by SA [REDACTED]
[REDACTED]

AT [REDACTED] (LEAD #138-J)

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On October 16, 1985, efforts to contact [REDACTED]
[REDACTED] were unsuccessful, however, [REDACTED]
[REDACTED] did not know
EDWARD LEE HOWARD. [REDACTED]
[REDACTED] after hearing on the news that HOWARD was a member of the
ROYAL CITY RADIO CONTROL CLUB.

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1304

(S) 65A-590 - 1304

~~SECRET~~

AQ 65A-590

CSD:mev

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CS

The following investigation was conducted by Special Agent [REDACTED]

AT [REDACTED] LEAD 138-Z

[REDACTED]
[REDACTED] member of the ROYAL CITY RADIO CONTROL CLUB, [REDACTED]

[REDACTED] advised he does not know EDWARD LEE HOWARD nor has he had any contact with him. [REDACTED] could furnish no information of lead value.

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1305

65A 5 12 1 5 1 1

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aj
AQ 65A-590
CSD:sjh

- 1 -

The following investigation was conducted by SA'S

[REDACTED]

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AT SANTA FE, NEW MEXICO: (LEAD # 138A-1)

On October 17, 1985, the below listed members of the ROYAL CITY RADIO CONTROL CLUB, of which EDWARD LEE HOWARD was a member, were contacted regarding their association with HOWARD. No positive information of lead value was developed.

[REDACTED]

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65A 590-50 15 121

~~SECRET~~

AQ 65A-590
CSD:mev

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The following investigation was conducted by Special Agent [REDACTED]

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AT [REDACTED] LEAD 138-X

[REDACTED] advised he was acquainted with EDWARD LEE HOWARD through the ROYAL CITY RADIO CONTROL CLUB [REDACTED] said he had seen HOWARD on only two occasions at Club activities [REDACTED]

[REDACTED] recalled HOWARD owned a "store bought plane" which he was having difficulties flying. [REDACTED] on one occasion at which time the airplane crashed. [REDACTED] thought HOWARD presented a very indifferent attitude toward the crash and flying in general. [REDACTED] did not know if HOWARD had ulterior motives when joining the Club, however said that HOWARD never questioned him [REDACTED]

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[REDACTED] could offer no information of lead value.

~~SECRET~~

1307

65A-590-Sub 13-17

~~SECRET~~

AQ 65A-590

JKH:sjh

JKH

- 1 -

The following investigation was conducted by SA [REDACTED]

AT [REDACTED] (LEAD #138A-2)

On October 17, 1985, [REDACTED] was telephonically contacted regarding EDWARD L. HOWARD, and provided the following information regarding members of the ROYAL CITY RADIO CONTROL CLUB (RCRCC).

[REDACTED] that he was not aware that HOWARD was a member of the RCRCC.

[REDACTED] said it would be extremely unlikely that [REDACTED] would know HOWARD through the RCRCC.

~~SECRET~~

112 SEP 4

DATE FORWARDED

WINTAGE L. L. H. V. S.

1308¹¹²

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b6
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(.5th) 112 112 112

~~SECRET~~

AQ 65A-590
JKH:sjh
JKH

- 1 -

The following investigation was conducted by SA [REDACTED]

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b7C

[REDACTED]
AT [REDACTED] (LEAD #138A-18-19)

On October 17, 1985, [REDACTED]
[REDACTED] were contacted, and did not
know EDWARD LEE HOWARD or could furnish no information of
lead value.

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b7C

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~~SECRET~~

AQ 65A-590

JKH:sjh

JKH

- 1 -

The following investigation was conducted by SA [REDACTED]
[REDACTED]

AT [REDACTED] (LEAD #138A-20)

On October 17, 1985, [REDACTED] was telephonically interviewed regarding EDWARD L. HOWARD, and provided the following information:

b6
b7C

[REDACTED] who is a member of the ROYAL CITY RADIO CONTROL CLUB, [REDACTED]
[REDACTED] believed that an interview of [REDACTED] would produce no information regarding HOWARD.

~~SECRET~~

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FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

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