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Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

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MAJORITY (202) 225-5051
FACSIMILE (202) 225-4784
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July 8, 2008

Mr. Glenn English
Chief Executive Officer
National Rural Electric Cooperative Association
4301 Wilson Boulevard
Arlington, VA 22203

Dear Mr. English:

Thank you for your testimony at the Committee's June 26, 2008, hearing to examine questionable practices at the Pedernales Electric Cooperative, which is the nation's largest co-op.

At the hearing, the Committee learned that former Pedernales general manager Bennie Fuelberg and the co-op's Board of Directors engaged in extravagant spending on travel and dining at the expense of co-op customers. Mr. Fuelberg and the co-op's directors charged Pedernales credit cards for approximately \$700,000 in travel and dining-related expenses between 2002 and 2006.

A key question for the Committee is whether the excessive spending by Pedernales is isolated to Pedernales. According to information the Committee received, it appears the National Rural Electric Cooperative Association was involved in at least one instance of the questionable spending. In order to learn more about this, it would be helpful to receive additional information about the concert expense discussed at the hearing and other related entertainment expenses.

Pedernales paid nearly \$2,000 for Mr. Fuelberg, co-op directors, and their significant others to see Celine Dion's concert at Caesar's Palace in Las Vegas in 2005. At the time, Mr. Fuelberg and the directors were in Las Vegas for an annual meeting of the National Rural Electric Cooperative Association (NRECA). In a deposition, Mr. Fuelberg testified that the tickets to the concert had been reserved by your organization.

To help clarify whether this was an isolated instance, I ask that you provide the following information to the Committee:

1. Did NRECA reserve a block of tickets to the Celine Dion concert for the employees and directors of its member co-ops who were present at the annual meeting at Las Vegas in 2005? If so:
 - a. How many tickets did NRECA reserve?
 - b. Did NRECA purchase these tickets? If so, how much did it spend on the tickets?
 - c. Did member co-ops purchase the tickets from NRECA?
 - d. How many co-ops purchased concert tickets?
 - e. How much were co-ops charged for the tickets?
 - f. Which co-ops purchased concert tickets?
 - g. Did any individual co-op employees, directors, or guests of employees or directors purchase tickets directly from NRECA for their own use?
 - h. Is it NRECA's understanding that the concert tickets were ultimately paid for by co-op customers?
 - i. Please describe NRECA's communications with member co-ops, co-op employees, and co-op directors about the concert.
2. Has NRECA reserved or purchased tickets for any other entertainment or sporting events for the use of the employees or directors of its member co-ops during the last five years? If so, please list all instances of NRECA reserving or purchasing tickets for entertainment or sporting events for the use of the employees or directors of its member co-ops. For each instance, please include the date of the entertainment or sporting event, a description of the entertainment or sporting event, a description of any related NRECA meeting or conference, the number of tickets reserved or purchased, the aggregate cost of the tickets, the number of co-ops that purchased the tickets, the amount that the co-ops paid for the tickets, and the list of co-ops that purchased the tickets.

In addition, I ask that you provide the Committee with copies of documents and communications relating to any NRECA reservation or purchase of tickets during the last five years for any entertainment or sporting events for the use of the employees, directors, and guests of employees and directors of NRECA's member co-ops.

Mr. Glenn English
July 8, 2008
Page 3

I would appreciate receiving this information by July 23, 2008.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives, with broad investigative jurisdiction as set forth in House Rule X. An attachment to this letter provides additional information about how to respond to the Committee's request.

If you have any questions, please contact Jeff Baran or Greg Dotson of the Committee staff at (202) 225-4407.

Sincerely,

A handwritten signature in black ink that reads "Henry A. Waxman". The signature is written in a cursive style with a prominent "H" and "W".

Henry A. Waxman
Chairman

Enclosure

cc: Tom Davis
Ranking Minority Member