

**Responses from Mr. Leon Panetta to Pre-Hearing Questions from
Vice Chairman Bond, Received February 4, 2009**

A recent article in the Huffington Riposte noted that a Senate Finance Committee investigation into the nonprofit corporation EduCap found that you took a trip on the EduCap's private jet. The date and location of this trip was not discussed.

- Please provide the date and destination of this trip and the specific purpose of the trip, including whether your spouse accompanied you. If you or your spouse traveled on EduCap's jet, or any jet owned or leased by an affiliate of EduCap including the Catherine Reynolds Foundation, for any other trips, please provide the same information.
- If any of the trips described above were for personal benefit, were they reported on your income tax returns? If so, please provide copies of the relevant returns on which the trips were reported.

Mr. Panetta accompanied Mrs. Reynolds on business travel to attend a meeting of Board of Directors of Zenith Insurance Company, of which both Mrs. Reynolds and Mr. Panetta were members. This travel was on Mrs. Reynolds' airplane from Washington, DC, to Sarasota, FL. He does not recall the specific dates of this travel but does recall that this happened on one or two occasions. To the best of his knowledge, Mr. Panetta did not take any other trips on any airplane owned or leased by an affiliate of EduCap, Mrs. Reynolds, or the Reynolds Foundation. Mrs. Panetta did not accompany Mr. Panetta on any of this business travel. This trip to the board meeting described above was for a business purpose and not for Mr. Panetta's personal benefit. As customary for board meetings, Zenith has a policy of reimbursement of travel expenses for board members' travel to board meetings. Mr. Panetta did not seek reimbursement for his travel with Mrs. Reynolds as he had no out of pocket expenses for this portion of the trip. Mr. Panetta recalls that he flew on a commercial flight from Florida to his home in California after the board meetings concluded. As the trip with Mrs. Reynolds was not income to Mr. Panetta, it was not reported on his income tax returns. Mr. Panetta acted in full compliance with applicable tax laws.

Today's Wall Street Journal indicates that two non-profits founded by Ms. Catherine Reynolds, EduCap and the Academy of Achievement, made financial contributions in the amount of at least \$50,000 to the Leon and Sylvia Panetta Institute for Public Policy. The list of donors submitted to the Committee shows donations in the amount of \$70,000 from the Catherine Reynolds Foundation over a three-year period, but does not list any donations from either EduCap or the Academy of Achievement during this period.

- Has EduCap or the Academy of Achievement donated any funds to the Leon and Sylvia Panetta Institute in the previous 4 years, including 2008?

To the best of his recollection, the only donations by the Reynolds-affiliated entities were the ones previously disclosed to the Committee. He does not recall any donations from EduCap or Academy of Achievement. He does not recall any donations for less than \$5,000 from these entities. There were not donations from any Reynolds-affiliated entities in 2008. (Note: He is relying on his recollection on these questions because the institute does not maintain an easily-assembled list of donations below the \$5,000 level, per our previous discussions with Committee staff.)

- Has the Catherine Reynolds Foundation donated any funds to the Leon and Sylvia Panetta Institute in 2008?

No.

- If so, please provide the dates and specific amounts of all of those donations.

N/A

- Were any of these donations made as a result of or in connection with any travel taken by you or your spouse funded in whole or part by EduCap, the Academy of Achievement, or the Catherine Reynolds Foundation?

No.

- Are there any other donations (or adjusted amounts) not listed in what you have provided to the Committee?

[Same answer as above.] To the best of his recollection, the only donations by the Reynolds-affiliated entities were the ones previously disclosed to the

Committee. He does not recall any donations from EduCap or Academy of Achievement. He does not recall any donations for less than \$5,000 from these entities. There were not donations from any Reynolds-affiliated entities in 2008. (Note: He is relying on his recollection on these questions because the institute does not maintain an easily-assembled list of donations below the \$5,000 level, per our previous discussions with Committee staff.)

- Have you, your spouse, or your interests (including but not limited to the Leon and Sylvia Panetta Institute for Public Policy) made any charitable or other donations to EduCap, the Academy of Achievement, Catherine Reynolds, or any other entities affiliated with Catherine Reynolds in the last 5 years?

No.

- Please provide any further information that you may have regarding your relationship with EduCap, the Catherine Reynolds Foundation or the Academy of Achievement.

As disclosed to the Committee, the Reynolds Foundation was among the donors to the Panetta Institute to support its work.