



diGENOVA & TOENSING, LLP
ATTORNEYS-AT-LAW

January 10, 2016

Via Certified Mail

The Honorable Eric S. Miller
United States Attorney
for the District of Vermont
United States Courthouse and Federal Building
PO Box 570
11 Elmwood Avenue, 3rd Floor
Burlington, VT 05402-0570

**Via Email (ighotline@fdic.gov)
and Certified Mail**

Fred W. Gibson, Jr.
Acting Inspector General
Federal Deposit Insurance Corporation
Office of the Inspector General
3501 Fairfax Drive
Arlington, VA 22226

Re: Request for an Investigation into Apparent Federal Bank Fraud.

Dear Messrs. Miller and Gibson:

This firm represents Wendy Wilton, an active Catholic and member of the Immaculate Heart of Mary parish in Rutland, Vermont. On behalf of Ms. Wilton and other aggrieved Vermont parishioners, we request an investigation into what appears to be federal loan fraud involving the sale of the Roman Catholic Diocese of Burlington headquarters (33-acres of prime, lake-front property) to Burlington College. The loan transaction involved the overstatement and misrepresentation of nearly \$2 million dollars in what were purported to be confirmed contributions and grants to the college. According to recently released documents, this apparent fraud resulted in as much as \$2 million in losses to the Diocese and an unknown amount of loss to People's United Bank, a federally-insured financial institution.

The financial difficulties of Burlington College brought on as a result of the purchase of this property, including a threatened loss of accreditation, have been widely reported on. Numerous articles detail the apparent loan fraud, which was revealed as a result of public records requests and diligent reporting, and are available at the links in the footnote below.^{1 2 3} The

¹ Blake Neff and Peter Fricke, "Bernie Sanders' Wife May Have Defrauded State Agency, Bank," The Daily Caller, March 26, 2015; available at <http://dailycaller.com/2015/03/26/exclusive-bernie-sanders-wife-may-have-defrauded-state-agency-bank/>

² Morgan True, "Jane Sanders Overstated Donation Amounts in Loan Application for Burlington College," VTDIGGER, September 13, 2015; available at <http://vtdigger.org/2015/09/13/jane-sanders-overstated-donation-amounts-in-loan-application-for-burlington-college/>

³ Morgan True, "Catholic Church Takes Loss in Loan Settlement with Burlington College," VTDIGGER, December 23, 2015; available at <http://vtdigger.org/2015/12/23/catholic-church-nailed-in-loan-settlement-with-burlington-college/>

description below and these articles (and the documents referenced within them) form the basis for our investigation request.

In 2010, Jane Sanders, then-President of Burlington College and wife of United States Senator Bernard Sanders, orchestrated the college's purchase of the Diocese headquarters property for \$10 million dollars. To finance the purchase, Ms. Sanders sought approval from the Vermont Educational and Health Buildings Finance Agency (VEHBFA), which voted to issue tax exempt bonds for the transaction. Those bonds were purchased by People's United Bank in the form of a \$6.5 million dollar loan to the college along with a \$3.65 million second mortgage from the Diocese.

The loans were contingent on the college providing proof of a minimum commitment of \$2.27 million in grants and donations prior to the closing. Ms. Sanders acted on behalf of the college as a corporate representative for the loan. **Exhibit A (Corporate representative certificate)**. In that role and as the college president, Ms. Sanders submitted what she claimed was evidence of \$2.6 million in confirmed grants and donations. **Exhibit B (Spreadsheet of confirmed donations submitted by Ms. Sanders in the loan application)**. She also signed the closing certificate and the loan agreement. **Exhibit C (Closing certificate)**.

At the end of fiscal year 2011 (six months after closing on the loan), Ms. Sanders had collected only \$279,000 in donations, which was less than 25 percent of the \$1.2 million Ms. Sanders guaranteed to the bank that she would have collected in that year.⁴ Soon thereafter, in September 2011, less than a year after orchestrating the property purchase, Ms. Sanders was forced out by the college's Board of Trustees, reportedly for fundraising deficiencies. She was, however, somehow able to extract a severance package from the college of more than \$200,000. This golden parachute was recorded in the college's audit reports as well as on her husband's Senate Financial Disclosure Reports, demonstrating that he was a direct beneficiary of improper payments from the financially distressed college. **Exhibit D (Burlington College 2012 audit report excerpt); Exhibit E (Senator Bernard Sanders's 2011 to 2013 Senate Financial Disclosure Reports showing golden parachute payout)**. Additionally, during her tenure, the audit reports show Ms. Sanders steered hundreds of thousands of dollars of the nonprofit college's limited resources to her family and friends.⁵

Soon after Ms. Sanders's ouster, the college's financial difficulties predictably continued to mount and threatened its collapse. By the end of fiscal year 2014, of the \$2.6 million Ms. Sanders guaranteed to the bank as confirmed donations, the college had collected only \$676,000, a shortfall of almost \$2 million.⁶ As a consequence, the school failed to meet required loan

⁴ True, *supra* note 2.

⁵ Lachlan Markay, "Sanders and Wife Steered Campaign, Nonprofit Money to Family and Friends," The Washington Free Beacon, January 6, 2016; available at http://freebeacon.com/politics/sanders-and-wife-steered-campaign-nonprofit-money-to-family-and-friends/?utm_source=Freedom+Mail&utm_campaign=d512ae9320-Best_of_the_Beacon_January_10_20151_8_2016&utm_medium=email&utm_term=0_b5e6e0e9ea-d512ae9320-45955293

⁶ True, *supra* note 2.

benchmarks and defaulted on its loan from the Diocese. Ultimately, to avoid bankruptcy, the school negotiated the sale of a large portion of the 33-acre property to a real estate developer and reached a settlement with its creditors, including the Diocese.

In the end, the Diocese was forced to accept payments totaling \$1,592,000 and an unsecured \$1 million “investment” as settlement of the \$3.65 million in principal it was owed. **Exhibit F (Diocese financials excerpts).**⁷ The Diocese was also forced to forego collection of between \$592,000 and \$923,000 in interest accrued over the five-year life of the loan.⁸ Therefore, to date, the total loss to the Diocese is between \$1.6 and almost \$2 million. It is publically unknown what the loss was to People’s United Bank.

Federal bank fraud occurs when a person “knowingly executes, or attempts to execute, a scheme or artifice (1) to defraud a financial institution; or (2) to obtain any of the moneys, funds, credits, assets, securities, or other property owned by, or under the custody or control of, a financial institution, by means of false or fraudulent pretenses, representations, or promises.” 18 U.S.C. § 1344.

The evidence indicates that Ms. Sanders, as president of the college, successfully and intentionally engaged in a fraudulent scheme to actively conceal and misrepresent material facts from a federal financial institution resulting in the award of a loan for \$6.5 million and a second mortgage of \$3.65 million from the Diocese. The college’s financial records show a shortfall in collected donations of more than seventy percent. While only a few of the prospective donors have been willing to speak to the press, those who did said they did not pledge at the level represented by Ms. Sanders.⁹ Furthermore, donation pledges should have been confirmed in writing. But the college has stated publically that it has no documentary evidence of the donation pledges Ms. Sanders certified to the bank.¹⁰ While the extent of financial harm caused to People’s United Bank is unknown, it is also irrelevant. *United States v. Kenrick*, 221 F.3d 19 (2000) (intent element of bank fraud requires only intent to deceive bank in order to obtain a loan from it). Under the federal bank fraud statutes, actual loss to the federally insured institution is unnecessary. Risk of loss is all that is needed. *United States v. Solomonson*, 908 F.2d 358 (1990)

There are numerous factors here that argue in favor of a federal investigation. See USAM 9-27.000, Principles of Federal Prosecution. The federal government has a substantial interest in investigating a serious federal financial crime like the one alleged. Ms. Sanders is not subject to effective prosecution in another jurisdiction. And there is no adequate, non-criminal alternative to a prosecution that could result from an investigation. Furthermore, Ms. Sanders’s special political status not only helped enable these apparent offenses, but also ensures her protection from any sort of state scrutiny or enforcement.

⁷ The Diocese’s full Independent Auditors Report for 2015 is available at <http://vermontcatholic.org/files/949/2015%20rcdb%20fs.pdf>

⁸ True, *supra* note 3.

⁹ True, *supra* note 2.

¹⁰ True, *supra* note 2.

The Honorable Eric S. Miller
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Additionally, the public harm in this case is substantial and should be a part of your decision whether to open an investigation or to pursue charges. Ms. Sanders and her husband have built political careers pontificating against corporate corruption and claiming to want to help the needy. The Diocese, however, actually helps the needy through vital direct services. It provides assistance to hundreds of under-privileged Vermont families, including emergency, short-term financial aid. It also operates four residential care homes in Vermont, provides prison ministry services, supports local non-profit organizations, and supports many other crucial charitable causes. The loss of \$2 million as a result of Ms. Sanders's apparent misconduct will materially detract from this charitable work and cause significant harm to vulnerable Vermonters.

It may be that you are already aware of these matters from the public record created by the news reports referenced in this letter. The government may also be more substantively aware of these matters by way of a Suspicious Activity Report filed by People's United Bank with FinCEN pursuant to its obligations under 12 CFR § 353.3(a). We understand that you will not be able to reveal whether this information and reporting have already sparked an investigation. Regardless, the facts presented here warrant further investigation and we request that any prosecution that may result from an investigation also seek full restitution from Ms. Sanders for the loss caused to the Diocese under the Mandatory Victims Restitution Act. 18 U.S.C. § 3663A.

Ms. Sanders's privileged status as the wife of a powerful United States Senator seems to have inoculated her from the robust underwriting that would have uncovered the apparent fraudulent donation claims she made. Her privileged status gave her the political clout to win approval from VEHBFA and a federally-insured bank for a loan that never should have been granted. This privileged status, however, should not inoculate her from the scrutiny, culpability, and accountability of a federal investigation.

Please contact me by phone (202.297.4245) or email (Brady@digtoe.com) with any questions or if you would like copies of the financial documents and other evidence we have gathered in this case, including a list with the full names of the purported confirmed donors.

Sincerely,

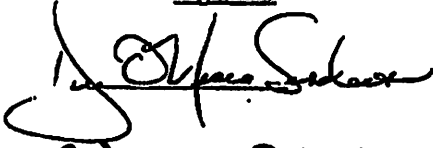


Brady C. Toensing

Exhibits

Exhibit A

CERTIFICATE AS TO CORPORATION REPRESENTATIVES

I, Dr. Jane O'Meara Sanders, President of Burlington College (the "Corporation"), DO HEREBY CERTIFY that the following authorized representative of the Corporation and I have been designated to act on behalf of the Corporation as a Corporation Representative (as defined in the Loan Agreement, dated as of December 1, 2010, by and between Vermont Educational and Health Buildings Financing Agency and the Corporation) and that the signatures set forth opposite the respective titles of such persons are their genuine signatures.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Jane O'Meara Sanders	President	
Christine Plunkett	Vice President of Administration and Finance	

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of December, 2010.

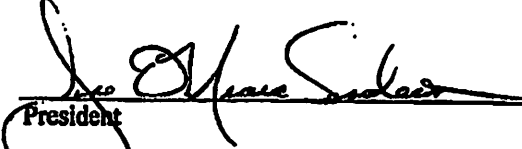

President

Exhibit B

SIDLEY AUSTIN LLP
SIDLEY

\$6,700,000

Vermont Educational and Health Buildings Financing Agency
Revenue Bond (Burlington College Project) 2010 Series A

Closing Date: December 31, 2010

CD RM

Bond Documentation

46. Evidence of Receipt of Fundraising Grants of at least \$2,270,000.

AD	x	\$	12,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500	\$	2,500
PG	x	\$	10,000	\$	2,000	\$	2,000	\$	2,000	\$	2,000	\$	2,000	\$	2,000
JL	x	\$	500	\$	100	\$	100	\$	100	\$	100	\$	100	\$	100
GSB	x	\$	37,500	\$	4,000	\$	4,000	\$	4,000	\$	4,000	\$	4,000	\$	25,000
CE	x	\$	1,500	\$	300	\$	300	\$	300	\$	300	\$	300	\$	300
PM	x	\$	25,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000
NF	x	\$	5,000	\$	1,000	\$	1,000	\$	1,000	\$	1,000	\$	1,000	\$	1,000
RLI (plus)	x	\$	60,000	\$	20,000	\$	20,000	\$	20,000	\$	20,000	\$	20,000	\$	1,000
BD	x	\$	500	\$	100	\$	100	\$	100	\$	100	\$	100	\$	100
RM	x	\$	5,000	\$	1,000	\$	1,000	\$	1,000	\$	1,000	\$	1,000	\$	1,000
RIe (plus)	x	\$	60,000	\$	30,000	\$	30,000	\$	30,000	\$	30,000	\$	30,000	\$	30,000
JHM	x	\$	25,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000
LG (plus)	x	\$	18,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000
DD (plus)	x	\$	18,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000
Trustees		\$	278,500	\$	77,000	\$	77,500	\$	47,000	\$	27,000	\$	48,000	\$	48,000
BF	x	\$	500,000	\$	500,000	\$	500,000	\$	500,000	\$	500,000	\$	500,000	\$	500,000
PF	x	\$	25,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000
FG	x	\$	140,000	\$	140,000	\$	140,000	\$	140,000	\$	140,000	\$	140,000	\$	140,000
CEF	x	\$	233,000	\$	233,000	\$	233,000	\$	233,000	\$	233,000	\$	233,000	\$	233,000
KR	x	\$	500,000	\$	500,000	\$	500,000	\$	500,000	\$	500,000	\$	500,000	\$	500,000
OG	x	\$	900,000	\$	900,000	\$	900,000	\$	900,000	\$	900,000	\$	900,000	\$	900,000
Grants/Foundations/Funds		\$	2,298,000	\$	878,000	\$	1,320,000	\$	500,000	\$	5,000	\$	5,000	\$	5,000
Totals		\$	5,156,700	\$	2,338,040	\$	1,328,040	\$	737,540	\$	217,540	\$	238,540	\$	120,000
Confirmed		\$	2,644,700	\$	1,321,040	\$	373,040	\$	232,540	\$	212,540	\$	233,540	\$	120,000

*

Exhibit C

Burlington College
Closing Certificate pursuant to the Bond Purchase Agreement

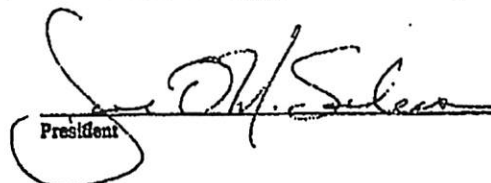
I, Jane O'Meara Sanders, DO HEREBY CERTIFY that I am the President of Burlington College (the "Corporation"), and that as such I am authorized to execute this Certificate on behalf of the Corporation. All terms used herein, and not otherwise defined herein, have the same meanings assigned to them in the Bond Purchase Agreement.

I HEREBY FURTHER REPRESENT that:

- a. The Corporation (i) has been duly organized and is validly existing as a private non-profit corporation in good standing under the laws of the State with full legal power and authority to own its property, conduct its business and execute, deliver and perform its obligations under the Loan Agreement, the Note, the Mortgage and the Bond Purchase Agreement (collectively, the "Corporation Documents"), and (ii) has taken all actions and obtained all approvals required in connection therewith.
- b. The Corporation is exempt from federal income taxation under Section 501 (a) of the Code, as an organization described in Section 501(c)3 of the Code, and there is no threatened change in such tax exempt status of the Corporation.
- c. There are no liens against or overdue taxes, assessments, fees or other governmental charges payable by the Corporation to the United States, the State of Vermont or any other state or municipality in the United States.
- d. The execution, delivery and performance of all agreement, certificates and documents required to be executed, delivered and performed by the Corporation in order to carry out, give effect to and consummate the transactions contemplated by the Corporation Documents have been duly authorized by all necessary action of the Corporation; the Corporation Documents are in full force and effect on and as of the date hereof; and no authority for the execution, delivery or performance of the Corporation Documents has been repealed, revoked or rescinded.
- e. The execution and delivery of the Corporation Documents on behalf of the Corporation and the performance of the obligations contained in the Corporate Documents, the consummation of the transactions therein contemplated (including the acquisitions, construction and equipping of the Project) and compliance with the provisions of each do not and will not (i) conflict with or violate the Corporation's Articles of Association or the Bylaws of its Board of Trustees, (ii) conflict with, result in any breach of or constitute a default under any indenture, mortgage, deed of trust, bank loan or credit agreement or any other agreement or instrument to which the Corporation is a party or by which it or any of its property may be bound or affected, or (iii) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Corporation or any of its property; provided, however, that no certification is given regarding the applicability of any zoning, subdivision or other land use law, regulation or ordinance to the execution and delivery of the Mortgage nor the necessity of obtaining any permit or approval under any such law, regulation or ordinance.

- f. The Corporation has duly authorized the taking of and has taken any and all action necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Corporation Documents.
- g. No Event of Default under the Loan Agreement has occurred and no event which with notice or lapse of tie or both would become such an Event of Default has occurred and is continuing.
- h. The representations and warranties of the Corporation contained in the Loan Agreement and in the Bond Purchase Agreement are true and correct on and as of the date hereof with the same force and effect as though such representations and warranties were made on and of the date hereof.
- i. The Corporation Documents were each duly executed and delivered on behalf of the Corporation by duly authorized officers of the Corporation, and the signature of each such officer thereon in his genuine signature.
- j. There is no action, litigation, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the Corporation's knowledge, threatened against, or affecting, the Corporation, wherein an unfavorable decision, the Corporation Documents or the transactions contemplated therein or in the Bond, or which would materially adversely affect the business, property or financial condition of the Corporation.
- k. Since the execution of the Bond Purchase Agreement, there has been no material adverse change in the business, property or financial condition of the Corporation, and the Corporation has not, other than in the ordinary course of business, entered into any transaction or incurred any liability materially adverse to the Corporation.
- l. There are no liens or encumbrances of record (other than the Mortgage and Permitted Encumbrances (as defined in the Loan Agreement)) on the Mortgaged Property.
- m. The Corporation has not, since June 30, 2010, incurred any material liabilities other than the ordinary course of business or as have been disclosed to the Purchaser, and the latest available audited and un-audited financial statements of the Corporation present fully the financial position of the Corporation as of the date thereof and the result of its operations for the period therein.

WITNESS my hand, this 28th day of December, 2010



President

Exhibit D

BURLINGTON COLLEGE, INC.
AUDIT REPORT AND REPORTS ON
COMPLIANCE AND INTERNAL CONTROL
JUNE 30, 2012

BURLINGTON COLLEGE, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012

Note 10: SEVERANCE PAYABLE

The former President resigned from the College and a transition agreement was entered into on September 26, 2011. The transition period commenced on October 13, 2011 for one (1) year. The President will be paid for the year, over the following two (2) years, at an annual rate of \$149,380 including all customary benefits. In addition, the former President will receive additional payments into her retirement plans totaling \$21,415 and a deferred bonus of \$15,000 and a lump sum final payment of \$15,000. The balance outstanding as of June 30, 2012 on the contract totaled \$123,427.



Note 11: DEFERRED REVENUE

Deferred revenue consists of the following:

Summer Tuition Revenue	\$ 76,512
Summer Tuition Revenue – Masters Program	32,760
High School Summer Program Revenue	10,775
Summer Lab Fees Revenue	29,434
Prepaid Fiscal Year 2013 Tuition	10,700
Deferred Grant Revenue	<u>225</u>
 Total	 <u>\$160,406</u>

Note 12: POST EMPLOYMENT BENEFITS PAYABLE

The College has an agreement with a former President to pay him a retirement salary of \$600 per month for life beginning July 1, 1995, increased each January 1 by the Consumer Price Index but not to exceed 5%. Currently, these payments are \$1,071 per month. The College also agreed to continue paying health insurance premiums for both the former President and his partner for the duration of the former President's life. The College will also reimburse dental expenses up to a total of \$2,000 per year, combined, for the former President and his partner. The current cost of the health insurance policies is \$1,128 per month. Dental reimbursements for fiscal year 2012 totaled \$2,123. The College has assumed a seven percent (7%) and a nine percent (9%) increase in medical insurance premiums for the former president and his partner to estimate the liability at June 30, 2012. An estimate of the current value of the payments for life are \$259,164.

The College also entered into an agreement with another former President during 2002 to pay his spouse's medical and dental insurance. The current cost of this policy is \$257 for health insurance per month. The College also agreed to reimburse dental expenses up to \$1,000 per year. Dental reimbursements for fiscal year 2012 totaled \$924. The College has assumed a three percent (3.0%) increase in medical insurance premiums to estimate the liability at June 30, 2012. An estimate of the current value of the payments for life are \$61,618.

Exhibit E

UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Amendment
Last Name: Sanders
First Name and Middle Initial: Bernard
Annual Report: 2011
Senate Office / Agency in Which Employed: Sanders - VT
Senate Office Address: 330 Dirksen Office Building, Washington DC 20510
Senate Office Telephone Number: 202-224-5141

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Table with 5 columns: Question, YES, NO, Question, YES, NO. Contains 6 questions regarding donations, income, assets, and gifts.

Each question must be answered and the appropriate PART attached for each "YES" response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. \$200 Penalty for filing more than 30 days after due date.

A Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available to the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics.

Certification section with signature lines for Reporting Individual and Reviewing Official, and date fields.

FOR OFFICIAL USE ONLY
Do Not Write Below this Line
MAY 15 PM 2:52
SECRETARY OF THE SENATE

Sanders

PART II. EARNED AND NON-INVESTMENT INCOME

3

Report the source (name and address), type, and amount of earned income to you from any source aggregating \$200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate \$1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3, CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:

For you and /or your spouse, report honoraria income received which aggregates \$200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

Name of Income Source		Address (City, State)	Type of Income	Amount
Example:	JP Computers	Wash., DC	Salary	\$15,000
	MCI (Spouse)	Arlington, VA	Salary	Over \$1,000
1	University of Vermont	351 North Avenue, Burlington, VT	Spouse Salary	over \$1,000
2	City of Burlington	Burlington, VT	Pension	\$4663
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UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION FILERS

<input type="checkbox"/> Amendment			
Last Name	First Name and Middle Initial	Annual Report	
Sanders	Bernard	Calendar Year Covered by Report 2012	Senate Office / Agency in Which Employed Sanders - VT
Senate Office Address (Number, Street, City, State, and ZIP Code)		Termination Report	
332 Dirksen Office Bldg Washington DC 20510		Termination Date (mm/dd/yy)	Prior Office / Agency in Which Employed
		202-224-5141	

AFTER READING THE INSTRUCTIONS – ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

	YES	NO		YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, complete and attach PART I.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than \$350 from one source)? If Yes, complete and attach PART VI.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than \$200 from any reportable source in the reporting period? If Yes, complete and attach PART II.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did you, your spouse, or dependent child have any reportable liability (more than \$10,000) during the reporting period? If Yes, complete and attach PART VII.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Did you, your spouse, or dependent child hold any reportable asset worth more than \$1,000 at the end of the period, or receive unearned or investment income of more than \$200 in the reporting period? If Yes, complete & attach PART IIIA and/or IIIB.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, complete and attach PART VIII.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than \$1,000 in the reporting period? If Yes, complete and attach PART IV.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Do you have any reportable agreement or arrangement with an outside entity? If Yes, complete and attach PART IX.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than \$350 and not otherwise exempt)? If Yes, complete and attach PART V.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	If this is your FIRST Report: Did you receive compensation of more than \$5,000 from a single source in the two prior years? If Yes, complete and attach PART X.	<input type="checkbox"/>	<input type="checkbox"/>

Each question must be answered and the appropriate PART attached for each "YES" response.

<p style="font-size: 2em; font-weight: bold;">a7</p>	<p>FOR OFFICIAL USE ONLY Do Not Write Below This Line</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">RECEIVED OFFICE OF THE SENATE CLERK JUN 3 3:31 PM '13</p>
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00000623515

Reporting Individual's Name Sanders	<input type="checkbox"/> Amendment	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number 3
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Report the source (name and address), type, and amount of earned income to you from any source aggregating \$200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate \$1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3, CONTENTS OF REPORTS, Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:

For you and for your spouse, report honoraria income received which aggregates \$200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	JP Computers	Wash., DC	Salary	\$15,000
	MCI (Spouse)	Arlington, VA	Salary	Over \$1,000
1	Burlington College (Spouse)	351 North Avenue, Burlington VT	Substantial Spouse Salary	Over \$1,000
2	Self-employed, Antique Dealer (Spouse)	221 Van Patten Pkwy, Burlington VT	Spouse Antique Business	Over \$1,000
3	City of Burlington Vermont	Burlington City Hall, Burlington VT	Pension	\$4812.00
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United States Senate
Financial Disclosures

Annual Report for Calendar 2013

The Honorable Bernard Sanders (Sanders, Bernard)

Filed 05/15/2014 @ 6:04 PM

The following statements were checked before filing:

- I certify that the statements I have made on this form are true, complete and correct to the best of my knowledge and belief.
- I understand that reports cannot be edited once filed. To make corrections, I will submit an amendment to this report.
- I omitted assets because they meet the three-part test for exemption.

Part 1. Honoraria Payments or Payments to Charity in Lieu of Honoraria

Did any individual or organization pay you or your spouse more than \$200 or donate any amount to a charity on your behalf, for an article, speech, or appearance? **Not required**

Date	Activity	Amount	Who Paid?	Who received payment?
06/30/2013	Speech	\$931.42	Avalon Publishing Group Berkeley, CA	Self
12/30/2013	Speech	\$574.37	Avalon Publishing Group Berkeley, CA	Self

Part 2. Earned and Non-Investment Income

Did you or your spouse have reportable earned income or non-investment income? **Not required**

Who Was Paid	Type	Who Paid	Amount Paid
Spouse	Other (Sabbatical)	Burlington College Burlington, VT	> \$1,000
Self	Pension	City of Burlington Vermont Burlington, VT	\$4,894.20
Spouse	Self-Employment Income	Self-Employed, Antique Dealer Burlington, VT	> \$1,000
Spouse	Board Compensation	State of Vermont Public Service Department Montpelier, VT	> \$1,000

Part 3. Assets

Exhibit F

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
ROMAN CATHOLIC DIOCESE OF BURLINGTON, VERMONT, INC.
JUNE 30, 2015 AND 2014**

ROMAN CATHOLIC DIOCESE OF BURLINGTON, VERMONT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

A) SUMMARY OF OPERATIONS AND ACCOUNTING POLICIES (continued)

7. Fair value measurements (continued)

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

8. Investment

During 2015, the RCDB, Inc. was issued a 16.67% member interest in a Vermont limited liability company in settlement of the remaining balance of the note receivable from Burlington College (see Note F). In accordance with the operating agreement, the RCDB, Inc. is guaranteed a 15% annual preferred return.

The RCDB, Inc. has an option to put the investment, as defined, on February 2, 2016 at the original investment plus the 15% annual preferred return. Management intends to exercise the put option and has recorded the investment at cost plus accrued preferred returns totaling \$60,822 at June 30, 2015. Management has evaluated the investment and determined there to be no impairment at June 30, 2015.

9. Beneficial interest in trusts

In accordance with ASC Topic 958, *Not for Profit Entities*, the RCDB Administrative Offices records its beneficial interest in trusts in which it is named or has been legally determined to be a beneficiary at the lesser of estimated discounted cash flows of income to be received or its proportionate share of the fair value of underlying net assets of the trusts. Distributions received from perpetual trusts are accounted for as gains on investments; other distributions from trusts are accounted for as reductions in the carrying value of the related trust. Changes in the RCDB Administrative Office's share of the change in fair value of the underlying assets of the trusts are recorded as a gain (loss) due to change in value of beneficial interest in trusts.

10. Funds held for others

Resources from donors that are directed toward other specified entities are recorded as liabilities for "funds held for others" in the accompanying statements of financial position.

ROMAN CATHOLIC DIOCESE OF BURLINGTON, VERMONT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

F) NOTE RECEIVABLE - OTHER

On December 31, 2010, the RCDB, Inc., sold its former headquarters facility on North Avenue in Burlington, Vermont. The total selling price of \$10,000,000 was paid in cash of \$6,350,000 and a note receivable of \$3,650,000. Management believes it received full fair market value in cash at closing. The amount due on the note receivable was \$3,107,254 at June 30, 2014. The RCDB Administrative Offices reviewed financial information provided by the note maker and other publicly available information at June 30, 2014, and determined that it was probable that the balance of the note and accrued interest would not be collected. Consequently, management recorded a reserve for the remaining amount of principal and accrued interest as of June 30, 2014, less \$550,000 which was the estimated fair market value of the remaining property owned by the note maker in which the RCDB, Inc. held a first mortgage. An allowance for doubtful collection of \$2,557,254 was recorded at June 30, 2014.

During 2015, the note receivable was settled through a \$1,050,000 cash payment plus a \$1,000,000 investment in an LLC (see Note A8). Consequently, a bad debt recovery totaling \$1,560,822 was recorded in 2015 and there was no remaining balance on the note receivable at June 30, 2015.

G) PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	<u>2015</u>	<u>2014</u>
Buildings and improvements	\$ 3,190,350	\$ 3,190,350
Land and land improvements	507,129	504,689
Equipment	369,726	373,718
Vehicles	<u>127,377</u>	<u>126,888</u>
	4,194,582	4,195,645
Less: accumulated depreciation	<u>1,323,139</u>	<u>1,320,722</u>
	<u>\$ 2,871,443</u>	<u>\$ 2,874,923</u>