



**Federal Election Commission
Washington, DC 20463**

October 18, 2006

Russell Smith, Esq.
1875 K Street, NW
Washington, DC 20006

Re: ADR #312
American Institute of Certified Public Accountants (AICPA) PAC

Dear Mr. Smith:

Enclosed is the signed copy of the agreement resolving the referral initiated on October 31, 2005 with the Federal Election Commission ("FEC/Commission") against American Institute of Certified Public Accountants (AICPA) PAC and Anthony Pugliese, Treasurer ("Respondents"). The agreement for ADR 312 (RR 05L-63) was approved by the Commission on October 16, 2006 – the effective date of the agreement.

Note that paragraph 9 of the agreement specifies that Respondents shall comply with the term (a) within thirty (30) days of the effective date of the agreement. Respondents shall comply with the term (b) no later than December 31, 2006. Respondents shall comply with the term (c) within twelve (12) months of the effective date of this agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6.

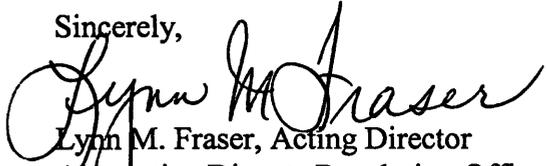
As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory

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responsibilities regarding violations of federal election campaign laws. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,


Lynn M. Fraser, Acting Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

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Federal Election Commission
Washington, DC 20463

Case Number ADR 312
Source: RR 05L-63
Case Name: American Institute of Certified
Public Accountants PAC

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Commission entered into negotiations with Russell Smith, Esq., representing the American Institute of Certified Public Accountants Political Action Committee and Anthony Pugliese, in his official capacity as Treasurer ("the Committee" or "Respondents"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") is authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572, and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Reports Analysis Division ("RAD") referred Respondents for failing to disclose all financial activity on three (3) reports in 2004; i.e., the 2004 August Monthly Report, the 2004 September Monthly Report, and the 2004 Year-End Report. RAD determined that these reports, when amended, disclosed additional receipts of \$111,828 in the Amended 2004 August Monthly Report, \$81,664 in the Amended 2004 September Monthly Report, and \$59,923 in the Amended 2004 Year-End Report.
4. The FECA requires each Treasurer of a political committee to disclose the total amount of all receipts for the reporting period, and for those political committees that are not authorized committees, for the calendar year. 2 U.S.C. § 434(b)(2), 11 C.F.R. § 104.3 (a).

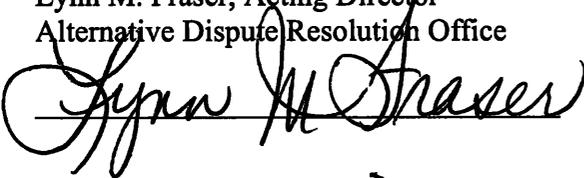
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5. Respondents contend that the omissions were due to programming issues arising from the Committee's conversion of its computer systems. Respondents argue that while the computer systems now appear to be operating as intended, they have taken additional steps to ensure future compliance, such as making personnel changes and adding more internal controls to review reports before filing.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) pay a civil penalty of \$5,000; (b) prepare a compliance desk manual for use by Committee staff no later than December 31, 2006; and (c) have a Committee representative attend a FEC reporting seminar within twelve (12) months of the effective date of this agreement.
7. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the term (a) within thirty (30) days of the effective date of this agreement. Respondents shall comply with the term (b) no later than December 31, 2006. Respondents shall comply with the term (c) within twelve (12) months of the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 312 (RR 05L-63), and effectively resolves the issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

Lynn M. Fraser, Acting Director
Alternative Dispute Resolution Office



10-16-06
Date Signed

FOR THE RESPONDENTS:



Russell Smith, Esq.

9-22-2006
Date Signed

Representing the American Institute of Certified Public
Accountants Political Action Committee and Anthony Pugliese, Treasurer