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**MEMORANDUM**

January 16, 2008

TO: The Commission  
THROUGH: Patrina M. Clark *mc*  
Staff Director  
FROM: John D. Gibson *JDG*  
Chief Compliance Officer  
Deborah Ruth Kant *DRK*  
Director, ADR Office  
BY: Lynn M. Fraser *lms*  
Assistant Director, ADR Office

**SENSITIVE**

SUBJECT: ADR 439 American Institute of Certified Public Accountants Political Action Committee and Anthony Pugliese, Treasurer, Recommendation to Dismiss<sup>1</sup>

**ADR Case:** ADR 439

**Source No.** P-MUR 452

**Respondents:**  
American Institute of Certified Public Accountants Political Action Committee  
Anthony Pugliese, Treasurer

**Respondents' Rep.:**  
Russell L. Smith, Esq.

**Complainant:** American Institute of Certified Public Accountants Political Action Committee

**Committee Name:** American Institute of Certified Public Accountants Political Action Committee

**Date Complaint Filed:** 9/28/07

**Committee Type:** Unauthorized

**Date Forwarded to ADRO:** 12/21/07

**Election Cycles:** 2000-2008

<sup>1</sup> The Office of General Counsel concurs in the description of this matter, and that it not be returned to OGC for further action.

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**Issues:**

- Reporting Cash on hand 2 U.S.C. § 434(b)(1), 11 C.F.R. § 104.3(a)(1)
- Use of treasury funds for administrative costs 11 C.F.R. § 114.5(b)

**Summary and Analysis of Case:** The FECA requires treasurers of political committees to disclose cash-on-hand at the beginning of the reporting period. The implementing regulations state that corporations, labor organizations, membership organizations, or corporations without capital stock may use general treasury monies, including monies obtained in commercial transactions and dues monies or membership fees, for the establishment, administration and solicitation of contributions to its separate segregated fund.

The American Institute of Certified Public Accountants Political Action Committee and Anthony Pugliese, Treasurer (AICPA PAC) filed a *sua sponte* submission following an internal review that revealed the Committee had mistakenly reported, as PAC disbursements, its administrative expenses from before 2001 through 2006. The administrative costs were actually paid by the connected membership organization, AICPA, from an account specifically set up for this purpose. As a result of reporting these expenditures erroneously, the AICPA PAC's cash on hand was incorrectly stated for each report during the relevant period. The AICPA PAC worked with the Reports Analysis Division to amend reports.

**RECOMMENDATION:**

1. Dismiss ADR 439 (P-MUR 452), and close the file.
2. Approve the appropriate letters.

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