



**Federal Election Commission
Washington, DC 20463**

November 21, 2008

Mr. Russell Smith, Esq.
Wilkie, Farr, and Gallagher, LLP
1875 K Street N.W.
Washington, DC 20006

Re: ADR 439 (P-MUR 452)

Dear Mr. Smith:

On October 1, 2007, the Federal Election Commission (FEC/Commission) received a *sua sponte* submission from The American Institute of Certified Public Accountants Political Action Committee and Anthony Pugliese, Treasurer admitting to certain violations of the Federal Election Campaign Act of 1971, as amended.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and take no further action against the Respondents The American Institute of Certified Public Accountants Political Action Committee and Anthony Pugliese, Treasurer. In its memorandum to the Commission, dated January 16, 2008, this office stated:

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.

The matter should be dismissed as the errors corrected in the amended reports did not reflect any new or previously undisclosed financial activity by the AICPA PAC, because under the regulations a PAC does not report administrative expenses paid by its connected membership organization. The PAC conducted an extensive internal review of PAC financial records, and the results of that review were provided to the Commission as exhibits to the *sua sponte* submission. In addition,

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the AICPA PAC instituted remedial measures to ensure compliance with the FECA, such as: assigned a financial analyst as its FECA compliance specialist; confirmed that the compliance specialist will conduct a formal reconciliation of the PAC cash account to the cash on hand disclosed on Form 3X each month; and ensure a review of the reconciliation each month by the Treasurer, or Assistant Treasurer, prior to filing the report with the Commission.

Accordingly, the Commission closed its file in this matter on November 6, 2008.

The FEC is obligated by federal regulations to make a finding to terminate its proceedings public, as well as the basis therefore. 11 C.F.R. § 111.20(b). In addition, the Commission will also place on the record copies of the complaint, correspondence exchanged between Respondent(s) and the Commission, and reports prepared for the Commission by this office to assist in its consideration of this matter. Accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

If you have any questions regarding this matter please be in touch. My telephone number is 202-694-1665.

Sincerely,

Lynn M. Fraser, Acting Director,
Alternative Dispute Resolution Office

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