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The Indiana State Medical Association is dedicated to Indiana physicians and their efforts to provide the best possible health care for their patients.

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November 29, 2006

VIA ELECTRONIC MAIL (embezzlepolicy@fec.gov)

Joseph Stoltz
Audit Division Director
Federal Election Commission
999 E. Street, NW
Washington, DC 20463

RE: Federal Election Commission Proposed Embezzlement Policy

Dear Mr. Stoltz:

The Indiana State Medical Association and the Indiana Medical Political Action Committee (IMPAC) welcome the opportunity to offer comments regarding the Federal Election Commission's Proposed Embezzlement Policy dated October 20, 2006. IMPAC is a state based political action committee affiliated with the Indiana State Medical Association at the state level and with the American Medical Association's PAC (AMPAC) at the national level.

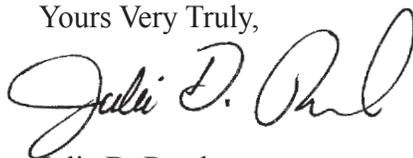
We support the issuance of guidance by the Commission that offers a *safe harbor* to political action committees that implement reasonable internal controls to protect against embezzlements and unintentional reporting errors. The guidance as proposed is helpful because it would not only provide standards to assist Committees with procedures to protect their assets but it in doing so the Commission will have created standards which appear to be intended to acknowledge the reasonable efforts made by committees to comply with FEC reporting and filing requirements.

Second, we strongly encourage the Commission to retain the enforcement philosophy that no one set of controls can be universally applicable to every Committee. We also encourage the Commission to continue to take into consideration the totality of the circumstances and any mitigating facts in making its enforcement decisions. We urge the Commission, in considering the totality of the circumstances, to bear in mind the fact that comparatively small operations have much fewer resources than large corporate or union Separate Segregated Funds with large staffs and access to internal auditors.

Next, we note that historically there have not been widespread instances of embezzlement activity as evidenced by the fact that this is the first time that the Commission has needed to adopt a policy about this topic. The vast majority of physicians and their connected organizations are run by competent, well-intentioned men and women of integrity.

In closing, we support the adoption of the policy as proposed by the Commission in the October 20, 2006 draft. We do not believe further enforcement requirements are needed currently. We ask that the enforcement process be applied fairly and that the process be a transparent one that helps political action committees comply with the Commission's requirements. This approach is in the public's best interest. A policy that is primarily punitive is not in anyone's best interest.

Yours Very Truly,

A handwritten signature in black ink that reads "Julie D. Reed". The signature is written in a cursive, flowing style.

Julie D. Reed
Legal Counsel

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