

July 13, 2006

Ms. Jennifer Thangavelu,
Campaign Finance Analyst
Reports Analysis Division
Federal Elections Commission
999 E Street, N.W.
Washington, D. C. 20463

Identification Number: C00003327

Re: FEC Form 99 regarding all reports submitted referencing OSMAPAC Disclosure of Employee Misappropriation and Receipt of Insurance Payment

Dear Ms. Thangavelu:

OSMAPAC is submitting this letter as a general report and FEC Form 99 regarding all OSMAPAC reports submitted which reference OSMAPAC's Disclosure to the FEC of an employee misappropriation of funds and recording of OSMAPAC's receipt of funds incident to receipt of an insurance payment made regarding this covered loss.

This FEC Form 99 supplements the multiple communications made on behalf of OSMAPAC to the FEC and to you beginning July 12, 2005. On July 12, 2005, OSMAPAC reported to you, its FEC Campaign Finance Analyst, that Ms. Jamee L. Patton, a former employee of the Ohio State Medical Association had misappropriated funds from OSMAPAC. Further, OSMAPAC disclosed to you that the amounts and related details of this misappropriation had been confirmed through an independent auditor. In addition to making these disclosures, OSMAPAC requested and was subsequently given directions by you how to report the misappropriation and the receipt of insurance monies paid by the Chubb Insurance Companies. The Chubb Insurance Companies paid these monies because it determined that the misappropriation was a covered loss.

At your direction, OSMAPAC also filed a FEC Form 99 for each year in which OSMAPAC funds were misappropriated. Accordingly, a FEC Form 99 was filed regarding FEC Disclosure Form 3x for each of the years 2000, 2001, 2002, 2003 and 2004.

Next, OSMAPAC submitted its Year End Report for the filing period ending 12/31/05. Based upon multiple conversations with you, the FEC technical staff and OSMAPAC's software vendor, at your direction, OSMAPAC sought to submit its original report for this filing period with the following clarifying information in the text field for Line 17.

"OSMAPAC received this payment from the OSMA. The OSMA received these funds from its insurance company, [the Chubb Group of Insurance Companies] in settlement of its claim regarding the employee theft reported to FEC analyst Jennifer Thangavelu on July 12, 2005."

Unfortunately, throughout the time that OSMAPAC has been seeking to comply with FEC's directions for appropriate disclosure of the employee theft, OSMAPAC has been also implementing a new software system to allow OSMAPAC to submit its required reports more efficiently. During this process, OSMAPAC mistakenly believed that it had submitted its 2005 Year End Report correctly as directed by the FEC. However, OSMAPAC subsequently learned from you that its reports and information were not recorded correctly primarily because of a software error.

ETEXT ATTACHMENT

Specifically, because of the technical support difficulties encountered during this process combined with the unique reporting necessary to correctly report the funds associated with the misappropriation, OSMAPAC filed an amended Year End Report for the filing period ending 12/31/05, which was received by the FEC on 4/14/06. The Amended Year End Report received by the FEC on 4/14/06 reflects the correction of the amounts appearing on Line 17, Column A and Column B to include the insurance monies paid incident to the misappropriation. The first amendment to OSMAPAC's 2005 Year End report corrected the amounts appearing on Line 17 in response to your written request dated May 26, 2006. A FEC Form 99, dated June 23, 2006 and received by the FEC on June 26, 2006, was filed regarding the Amended Year End Report. The FEC Form 99 dated June 23, 2006 again included the clarifying information for the Line 17 text field as quoted above. This clarifying information explains the source of the income reported as received from the Chubb Group of Insurance Companies.

In closing, OSMAPAC has acted consistently in good faith to complete the submission of its FEC Reports correctly. OSMAPAC requested guidance from the FEC and has sought to comply with each direction given by you, its Campaign Finance Analyst. Regrettably, the timing of the implementation of new FEC PAC financial reporting software has presented significant technical challenges. These challenges combined with the unique reporting requirements related to the misappropriation have made this process more difficult than could have ever been imagined. In addition, we wish to emphasize that OSMAPAC, on its own initiative made timely disclosure of the employee theft and has been both diligent and responsive to the FEC's requests.

OSMAPAC is committed to submitting accurate and timely filings with the FEC which we had been able to do successfully prior to the events of the past year. This has been true during OSMAPAC's over fifty year history. It is our current assessment that the technical challenges have been substantially resolved and going forward we will not continue to encounter significant submission difficulties. For these reasons, we respectfully request these mitigating facts be considered in any further action by the FEC.

Please contact me if you have any additional questions.

Sincerely,

Timothy I. Maglione, Esq.
OSMAPAC Treasurer

C: James Sudimack, M.D., OSMA President
Steven Brezny, M.D., Chair, OSMAPAC
D. Brent Mulgrew, OSMA Executive Director
Almeta E. Cooper, OSMA General Counsel