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Federal Election Commission
Washington, DC 20463

Identification Number:C00295097

Reference:

- Amended July Quarterly Report (04/01/2012 - 06/30/2012)
- Amended October Quarterly Report (07/01/2012 - 09/30/2012)
- Amended 30 Day Post-General Report (10/18/2012 - 11/26/2012)
- Amended Year-End Report (11/27/2012 - 12/31/2012)
- Mid-Year Report (01/01/2013 - 06/30/2013)

Dear Sir:

This letter is being submitted in response to five requests from the Federal Election Commission dated September 19, 2013, seeking additional information regarding the disclosure by the American Iron and Steel Institute Political Action Committee (SteelPAC) of receipts from American Express Settlement American Iron and Steel Institute due to the misdeposit of funds intended for our connected organization, the American Iron and Steel Institute (AISI).

The identified receipts were the result of errors by Elavon Merchant Services, an online credit card payment processor engaged by AISI to handle credit card payments, and American Express. In May of 2012, as the result of a request from a member of AISI's restricted class to make a contribution to SteelPAC by means of his American Express credit card, AISI arranged through Elavon for payments to SteelPAC's bank account to be made via American Express. After these arrangements were implemented, however, not only were contributions intended for SteelPAC via American Express deposited into the SteelPAC account, but also other American Express transactions made through AISI's online bookstore began being electronically deposited into the SteelPAC account. Based on bank statements received for SteelPAC's account, these misdeposits began in early June 2012.

When AISI staff responsible for SteelPAC received bank statements in July 2012 indicating that funds not intended for SteelPAC had been misdeposited into the SteelPAC account by American Express, the AISI staff immediately contacted Elavon to report the error and to request corrective actions be taken. Based on conversations with Elavon and American Express, it appears that when American Express received instructions to accept and then make SteelPAC contribution payments to the SteelPAC bank account, it erroneously began to direct other payments made via American Express at AISI's online bookstore to the SteelPAC bank account, rather than to AISI's own bank account. After initial attempts to correct the error in the depositing of funds from AISI's online bookstore failed, AISI staff repeatedly contacted Elavon and American Express to report continued misdeposits and to request corrections in procedures to end the erroneous electronic transfers to the SteelPAC account. Unfortunately, despite many assurances from Elavon and American Express that the issue had been corrected, it took until March 2013 before the misdepositing of AISI online store receipts into the SteelPAC account ended.

In April 2013, after AISI staff had closely monitored both the SteelPAC and AISI bank accounts and found no erroneous transactions into the SteelPAC account for the latest month, AISI staff determined that this situation had been successfully resolved. After making an accounting for all the misdeposited funds, SteelPAC then transferred the full amount of misdeposited funds to the appropriate AISI bank account, and reported the misdeposits and transfer-out of these funds to the Federal Election Commission on the five reports referenced above.

Upon resolution of the issue with Elavon and American Express, AISI terminated the merchant processing account for SteelPAC at Elavon, thus preventing any further credit card transactions from being used to deposit funds into the SteelPAC account.

A-G79 @ B9CI G'H9LH'fl 97 : cfa ' - - t

PAGE 2 / 2

AISI takes its obligations under the Federal election laws seriously, and regrets the misdepositing of AISI online bookstore receipts into the SteelPAC account. At no point were any of the misdeposited funds used to contribute to a candidate for federal election, nor were any of these funds directed to another federal PAC.

Please do not hesitate to contact the undersigned if you have any additional questions or require further information.

Sincerely,

Thomas J. Gibson
Treasurer
American Iron and Steel Institute Political Action Committee
