

315 Chestnut Street  
Philadelphia, PA 19106-2702  
Phone (215) 873-8224 ● Fax (215) 925-1954  
Email: AICOffice@TheAIC.org  
WWW.TheAIC.org

26 October 2006

Ms. Diane Elm  
Accounts Management I  
Internal Revenue Service  
Ogden, Utah 84301-0038

Dear Ms. Elm:

Attached please find a copy of your letter dated 17 October 2006, and our letters dated 22 September 2006 and 31 May 2006.

Our letter dated 22 September 2006 was prepared by our former Vice Chairman, Dr. David Riley, requesting that the penalties for 2003 be abated for the same reasons described in his letter dated 31 May 2006. The reasons for filing our Form 990 late for 2003 and 2004 were the same. Primarily they were delayed because of the acts of a dishonest employee.

All of our organizational problems have been solved, we have engaged a new CPA and we will file all IRS Forms on time in the future.

We sincerely hope that you can abate these late filing penalties for reasonable cause. The imposition of these penalties would place an enormous financial burden on our organization. Our organization has a worthwhile mission that discusses the views of Chemists around the world. Our members basically pay dues and their contributions to our society are meaningful.

If additional information is needed to resolve this matter, please don't hesitate to call me at 718.270.6397 or our CPA: Leopold Galliera at 215.291.0400.

Sincerely,



Edmond S. Malka, PhD, ABD, MPH, CSci, CChem, MRSC, FAIC  
Treasurer



OGDEN UT 84201-0038

In reply refer to: 0437703681  
Oct. 17, 2006 LTR 3734C E0  
13-1525325 200312 67 000  
18248  
BODC: TE

AMERICAN INSTITUTE OF CHEMISTS INC  
315 CHESTNUT ST  
PHILADELPHIA PA 19106-2702156



14019

Taxpayer Identification Number: 13-1525325  
Tax Period(s): Dec. 31, 2003

Form: 990

Dear Taxpayer:

Thank you for your inquiry dated Sep. 19, 2006.

The law provides a penalty of \$20 a day (up to a maximum of \$10,000 or 5 percent of your gross receipts for the year, whichever is less) for each day your Form 990 is late. If your organization has gross receipts exceeding \$1,000,000, the law provides a penalty of \$100 a day up to a maximum of \$50,000.

Your return was due on Nov. 15, 2004. We received it on Feb. 06, 2006.

If you think you have an acceptable reason for us to remove or reduce this penalty, you should do the following:

- explain why in a signed statement;
- send any supporting documents; and
- request that we remove the penalty from your account.

Either the person who is responsible for your tax or who is authorized to pay your tax must sign the statement. That person generally is an officer of the exempt organization or a person you authorized by a power of attorney.

In addition, we also can remove a penalty or a portion of it if you received a penalty because you followed our advice. Before we can do so, however, the following sequence must occur:

1. You wrote to us, asking for advice about a specific issue.
2. You gave us complete and correct information about the issue.
3. You received from us specific written advice.
4. You followed our written advice in the manner that we outlined.

0437703681  
Oct. 17, 2006 LTR 3734C E0  
13-1525325 200312 67 000  
18249

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5. You received a penalty.

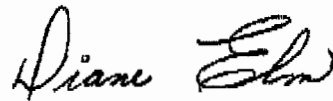
The current balance due for the tax period ended Dec. 31, 2003 is \$7,147.75, which includes applicable penalty and interest figured to Nov. 08, 2006. Penalty and interest charges will continue to increase until you pay the full balance due. Please include on your check, your Taxpayer Identification Number, form, and tax period, indicating where we should apply the payment.

If you have any questions, please call us toll free at 1-800-829-0115.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Thank you for your cooperation.

Sincerely yours,



Diane Elm  
Accounts Management I

Enclosure(s):  
Copy of this letter  
Envelope

0437703681  
Oct. 17, 2006 LTR 3734C E0  
13-1525325 200312 67 000  
18250

AMERICAN INSTITUTE OF CHEMISTS INC  
315 CHESTNUT ST  
PHILADELPHIA PA 19106-2702156



L4019

**DECLARATION**

Under penalties of perjury, I declare that I have examined the return identified in this letter, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. I understand that this declaration will become a permanent part of that return.

\_\_\_\_\_  
Signature of officer or trustee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

Internal Revenue Service  
Ogden, Utah 84301-0074 September 22, 2006

Dear Sir/Madam:

I thank you for eliminating our late penalty  
fee of \$5041.75 for 2004.

The purpose of this letter is to request  
that you eliminate the penalty for 2003 of  
\$7068.31 for reasonable cause. (The same  
reason described in my letter dated May 31, 2006  
that is attached).

All of our 990 forms and all other tax  
forms have been filed on time and, I believe,  
are in compliance.

Sincerely,  
Dr. David M. Riley  
Vice Chairman of the Board  
The American Institute of Chemists



**A**merican  
**I**nstitute of  
**C**hemists

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Internal Revenue Service

Ogden, Utah 84301-0074 May 31, 2004

Dear Sir/Madam:

Please forgive our filing late partly for reasonable cause.

During the calendar year 2004, I was responsible for filing Form 990 but due to my fragile health and age (I am currently 85 years old) I delegated this responsibility to an individual we hired as a business manager. I subsequently learned that our Business Manager not only did not file our Tax returns, he embezzled over \$30,000. She presented this prosecution of this individual in the Common Pleas Court in Philadelphia and he has been found guilty and required to make restitution to us in the near future.

Please also forgive my filing this letter late. I recently had a procedure botched in which, and my doctor instructed me to relax for a number of days. I have recently assessed by the IRS of \$5041.75 plus us in a Treasury fund and jeopardize our institute.

Sincerely,  
D. David W. Foley  
Vice Chairman of the Board  
American Institute of Chemists

