



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 084
Source: RR 02-02

Case Name: Ross for Congress and Veronica McLeod, Treasurer

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Federal Election Commission ("Commission") entered into negotiations with Tyrone Cass Ross, representing Ross for Congress and Veronica McLeod, Treasurer ("Respondents"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

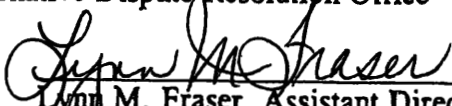
1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of respondent(s). The Commission's use of alternative dispute resolution procedures ("ADR") is authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. A review of the 2002 April Quarterly Report revealed that Respondents failed to disclose the due date and interest rate for a loan totaling \$150,000 reported as being from the candidate. In addition, Respondents failed to file a Schedule C-1 and failed to clarify whether the candidate used personal funds or borrowed the money for the loan from another source.
4. The FECA requires that the treasurer of a political committee file reports of committee receipts and disbursements. 2 U.S.C. § 434(a)(1). The report must disclose loans made by or guaranteed by the candidate. 2 U.S.C. § 434(b)(2)(G) and 11 C.F.R § 104.3(a)(3)(vii)(B). When a candidate or political committee obtains a loan from a lending institution, it shall report, on Schedule C-1, the date and amount of the loan, interest rate and repayment schedule, type, source and value of collateral, an explanation of

the basis upon which the loan was made, if not made on the basis of collateral. In addition, the report shall provide certification by the lending institution that the statements made by the borrower are accurate and that the lending institution has complied with Commission regulations. 11 C.F.R. § 104.3(d). A candidate may make unlimited expenditures from personal funds. 11 C.F.R. § 110.10(a).

5. Respondents acknowledge that a reporting violation of the FECA occurred when they failed to file an amended 2002 April Quarterly that disclosed that no loan was made from the candidate, as originally reported. Respondents contend that almost simultaneously with the filing of the 2002 April Quarterly Report, the candidate determined to withdraw his candidacy, therefore, the loan was not necessary. The loan was to have been from the candidate's personal funds. Respondents also contend that the candidate has no future plans to run for Federal office, the committee owes no debts and has less than \$200 in the campaign account.
6. Respondents, in an effort to resolve this matter, agree to work the FEC staff to file amended reports, in order to terminate the committee.
7. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
8. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondent shall comply with the terms of the settlement within 30 days from the effective date of this agreement.
9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 084 (RR 02-02), and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

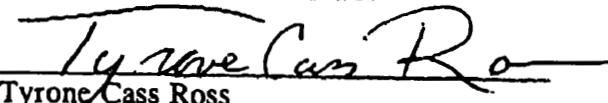
FOR THE COMMISSION:

Allan D. Silberman, Director
Alternative Dispute Resolution Office

By: 
Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office

6/16/03
Date Signed

FOR THE RESPONDENTS:


Tyrone Cass Ross

5/30/2003
Date Signed

5112.520.51.5