



**Federal Election Commission
Washington, DC 20463**

Case Number ADR 155
Source AR 04-01
Case Name Stephanie Tubbs Jones for US
Congress and Sandra Berry, Treasurer

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("FEC" or "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 Commission entered into negotiations with John W. Martin, Esq., representing Stephanie Tubbs Jones for US Congress and Sandra Berry, 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 Respondents. 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. Audit staff, in a review of expenses charged to Respondents' American Express card from January 2001 through August 2002, identified \$9,556 which appeared to have been for the candidate's personal use. Most of the charges appeared to be travel related expenses that were incurred by the candidate and her spouse. The candidate reimbursed the committee for \$2,722 of the expenses prior to notification of the audit, although the reimbursement was not made within the thirty (30) day period allowed by the regulations. In response to the interim audit report, the candidate provided documentation to show that \$1,245 of the remaining amount was, in fact, legitimate campaign or officeholder expenses.
4. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray expenditures, and any other amounts contributed to an individual for the purpose of supporting his or her activities as a holder of Federal office, may be used by such candidate or individual, to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office, or may be used for any other lawful purpose; except that no such amounts may be converted by any person to any personal use. 2 U.S.C. § 439a (2000).

5. Federal regulations define personal use as any use of funds in a campaign account of a present or former candidate to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate's campaign or duties as a Federal officeholder. 11 C.F.R. § 113.1(g).
6. Respondents acknowledge that a violation of the FECA occurred, in part due to staff inexperience and a misunderstanding of what expenses were legitimate. The questionable nature of some expenses arose, in large part, due to inadequate, and/or lost, documentation being retained to demonstrate what the expenses were for. On learning of the possible prohibited expenses, the candidate reimbursed the committee for the balance of \$5,589. In addition, Respondents instituted a new process to track expenses and retain documentation, and the Treasurer attended an FEC conference to increase staff understanding of the statute and regulations.
7. Respondents, in an effort to avoid similar errors in the future, agree to: (a) appoint a member of the campaign staff to monitor compliance with the FECA, and (b) pay a civil penalty of \$2,500.
8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection, or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of the settlement within thirty (30) days from the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 155 (AR 04-01), 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:

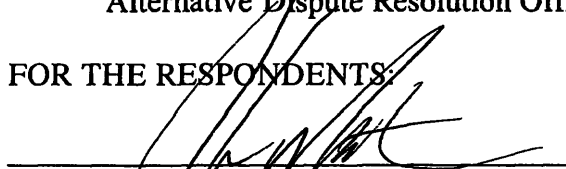
Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office


Date Signed

FOR THE RESPONDENTS:


John W. Martin, Esq.
Counsel for Stephanie Tubbs Jones for US Congress
And Sandra Berry, Treasurer


Date Signed