



FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, DC 20463

May 25, 2006

Leslie J. Kerman, Esq.
The Waverly Group, Inc.
6849 Old Dominion Drive, Suite 222
McLean, VA 22101

Re: ADR 301/RAD 05L-59

Dear Ms. Kerman:

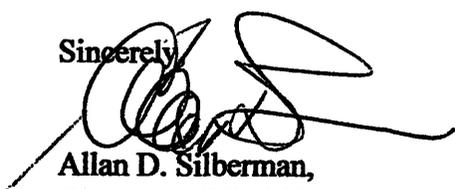
Enclosed is the signed copy of the agreement between the Federal Election Commission and the Boyd for Congress Committee and Stephaine Boyd, Treasurer, resolving the matter that arose from a referral from the FEC's Reports Analysis Division relating to the Committee's financial records. The agreement, ADR 301/RAD 05L-59, was approved by the Federal Election Commission on May 2, 2006 -- the effective date of the agreement.

As you are aware, the settlement agreement will be made part of the record that is released to the public. In addition, as of January 1, 2004, the Commission also will place on the record copies of correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared by this office to assist the Commission in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement effectively resolves the issues raised in the aforementioned referral relating to the Committee's financial records.

I appreciate your assistance in resolving this matter and helping to bring this case to a mutually satisfactory conclusion.

Sincerely,


Allan D. Silberman,
Director, ADR Office

Enclosure: a/s

26190264517



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number: ADR 301
Source: RAD 05L-59
Case Name: Boyd for Congress

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following a review of the record and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended ("the FECA" or "Act"), and to resolve this matter, the Commission entered into negotiations with Leslie Kerman, Esq. on behalf of the Boyd for Congress Committee and Stephanie Boyd, Treasurer (the "Respondents" or the "Committee"). 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 have addressed all the issues raised in this matter. The parties have agreed to resolve the matter according to the following terms:

1. The Commission has entered into this agreement as part of its responsibility for administering the Federal Election Campaign Act and in an effort to promote compliance with the FECA on the part of Respondents. The Commission's use of ADR procedures 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. The Respondents have voluntarily entered into this agreement with the Commission.
3. The Reports Analysis Division (RAD) determined that Respondents amended their 2004 30-Day Post General Report disclosing additional total disbursements of \$117,403 over the amount disclosed on the original 30-Day Post General Report. The original Report, filed on December 2, 2004, covering the period from October 14, 2004 through November 22, 2004, disclosed \$530,854 in disbursements on Line 17 (Operating Expenditures). The amended 2004 30-Day Post General Report, filed on July 15, 2005, disclosed \$648,257 in disbursements on Line 17 (Operating Expenditures), a 22% increase over the amount reported on the original Report.
4. Treasurers of political committees are required to file reports of receipts and disbursements in accordance with the provisions of the Act and regulations. 2 U.S.C. § 434(a)(1) and 11 C.F.R. § 104.1(a). Each report shall disclose for the reporting period and election cycle, the total amount of all disbursements, *inter alia*, expenditures made to meet candidate or committee operating expenditures. 2 U.S.C. § 434(b)(4)(A) and 11 C.F.R. § 104.3(b)(2)(i).
5. Respondents explained that after filing the original 2004 30-Day Post General Report, on December 2, 2004, they advised RAD, prior to filing the Amended Report, of a number of

26190264518

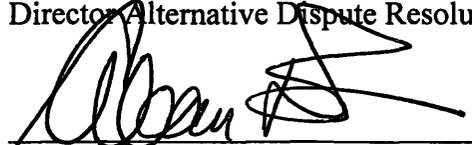
discrepancies discovered following an internal audit they conducted of the Committee's finances. The audit revealed a "transfer out" of approximately \$114,000. Thereafter, an Amended 2004 30-Day Post General Report was filed at RAD's recommendation. A subsequent Miscellaneous Document, filed in response to a RFAI dated July 26, 2005, described the Committee's efforts to reconcile their banking activity with the FEC's reporting requirements. The latter Report explained a missing disbursement as due to the staff being unaware that a wire transfer for \$117,403 had been made from the Committee's bank account. A later Miscellaneous Report, filed on August 23, 2005, acknowledged the previously-reported discrepancy and reiterated that the error was due to an unreported wire-transfer.

6. Respondents contend that they discovered the subject discrepancies as the result of their audit of the Committee's accounts. Respondents further contend that as a result of the latter discovery, they instituted a number of internal changes to the Committee's financial accounting procedures including hiring an accounting firm to review the Committee's filings prior to forwarding to the FEC and to set-up a system of internal review to prevent repetition of reporting errors.
7. In order to resolve this matter and avoid similar errors in the future, Respondents agree to:
1) designate the Committee's treasurer and another staff member to attend either the FEC's current one-day briefing on the FECA or a two-day seminar to be conducted in FY 2007; 2) to conduct internal training for the Committee staff on the FEC's reporting requirements; and 3) pay a civil penalty of \$7,500.
8. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
9. The parties agree that if the 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 and/or forward any outstanding civil penalty to the US Treasury for collection.
10. This agreement will become effective on the date signed by the parties and approved by the Commission. Respondents shall comply with the terms of settlement listed in paragraph seven (7) above within thirty (30) days except for item one (1) within twelve (12) months of the effective date of this agreement.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 301/RAD 05L-59 and effectively resolves this matter. No other statement, promise or Agreement, either written or oral, made by either party, not included in herein, shall be enforceable.

26190264519

FOR THE COMMISSION:

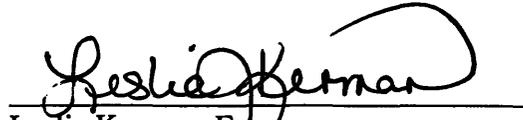
Allan D. Silberman,
Director, Alternative Dispute Resolution Office



Allan D. Silberman

May 25, 2006
Date

FOR THE RESPONDENTS:



Leslie Kerman, Esq.
on behalf of Boyd for Congress
and Stephanie Boyd, Treasurer

4/25/06
Date

26190264520