



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 4, 2012

John Kennedy for U.S. Senate
Keith A. Davis, Treasurer
P.O. Box 365
Maclean, VA 22101

Re: ADR 609 (A 09-05)
John Kennedy for U.S. Senate and Keith A. Davis, Treasurer

Dear Mr. Davis:

Enclosed is the signed copy of the agreement resolving the referral initiated on March 13, 2012 by the Federal Election Commission ("FEC/Commission") involving John Kennedy for U.S. Senate and Keith A. Davis, Treasurer ("Respondents"). The agreement for ADR 609 (A 09-05) was approved by the Commission on June 1, 2012 – the effective date of the agreement.

Note the specific time frames for compliance in **paragraph 6** of the agreement. **Please forward to this office, a statement certifying Respondent's compliance with the terms listed in the aforementioned agreement.** The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6, and contain the ADR caption and case number.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist 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 resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your

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assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office
202-694-1661

Enclosure: Agreement

cc: Gwen Holmes, Finance and Accounting Office
Room 819

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 609
Source: Audit 09-05
Case Name: John Kennedy for U.S. Senate

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 Commission entered into negotiations with Keith Davis representing John Kennedy for U.S. Senate, Inc. and Keith Davis, in his official capacity as Treasurer (the Committee or 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 guided by "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. The Audit Division referred Respondents for a violation detailed in the Final Audit Report of the Commission approved on February 27, 2012. Specifically, an audit of the 2008 election cycle revealed that the Committee received excessive contributions totaling \$224,722.
4. If a committee receives a contribution that appears to be excessive, the committee must return the check to the donor, deposit the contribution and maintain sufficient fund to potentially make a refund until the legality of the contribution is established, or seek a reattribution or a redesignation of the excessive portion. If the committee does not receive a proper reattribution or redesignation within 60 days of receiving the excessive contribution, the excessive portion must be refunded to the donor. 2 U.S.C. § 441a(a)(1)(A), 11 C.F.R. § 103.3(b)(3), (4), and (5).
5. In response to the Interim Audit Report, Respondents provided copies of presumptive redesignation and/or reattribution letters, photocopies of negotiated refund checks,

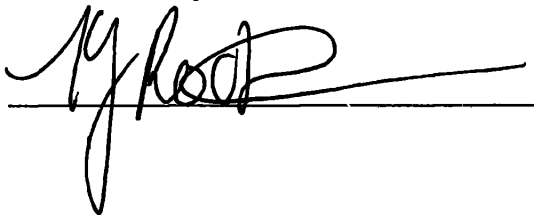
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and a check to the U.S. Treasury. The Audit staff concluded that the Committee had materially resolved all excessive contributions, albeit in an untimely manner.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) work with Commission staff to terminate the Committee within sixty (60) days of the effective date of this agreement and (b) pay a civil penalty of \$2,376, equal to the entirety of the funds remaining in the Committee's accounts, within thirty (30) days of the effective date of this agreement.
7. 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.
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 this agreement as set out in paragraph 6 above, and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 609 (Audit 09-05), and resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

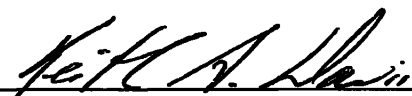
Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office





Date Signed

FOR THE RESPONDENTS:



Keith Davis
John Kennedy for U.S. Senate, Inc. and
Keith Davis, Treasurer

5/15/12
Date Signed

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