



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

OCT 10 2007

Seth D. Kirschenbaum, Esq.
Davis, Zipperman, Kirschenbaum & Lotito, LLP
918 Ponce De Leon Ave. NE
Atlanta, GA 30306

RE: MUR 5813
Stephanie Verden

Dear Mr. Kirschenbaum:

On October 10, 2007, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Wanda D. Brown".

Wanda D. Brown
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Stephanie Verden) MUR 5813

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COMMISSION
OFFICE OF GENERAL
COUNSEL
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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Stephanie Verden ("Respondent") knowingly and willfully violated 2 U.S.C. § 432(b)(3).

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

Background

1. The Georgia Medical Political Action Committee (the "Committee") is a political committee pursuant to 2 U.S.C. § 431(4) and is a multicandidate committee within the meaning of 2 U.S.C. § 441a(a)(4).

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1 2. Roy Vandiver is the treasurer of the Committee.

2 3. Stephanie Verden was employed by the Georgia Medical Association, the administrator
3 of the Committee, at the time of the events set forth in this agreement.

4 **The Law**

5 4. The Federal Election Campaign Act of 1971, as amended (the "Act"), requires that all
6 funds of a political committee shall be segregated from, and may not be commingled with, the
7 personal funds of any individual. 2 U.S.C. § 432(b)(3).

8 5. The Act also prohibits "knowing and willful" violations of its provisions. 2 U.S.C.
9 § 437g(a)(5)(B). The phrase "knowing and willful" indicates that "acts were committed with full
10 knowledge of all the relevant facts and a recognition that the action is prohibited by law...." 122
11 Cong. Rec. H3778 (daily ed. May 3, 1976); *see also* *AFL-CIO v. FEC*, 628 F.2d 97, 98, 101-02
12 (D.C. Cir.), *cert. denied*, 449 U.S. 982 (1980) (noting that a "willful" violation includes "such
13 reckless disregard of the consequences as to be equivalent to a knowing, conscious, and
14 deliberate flaunting of the Act," but concluding on the facts before it that this standard was not
15 met) (*cited in* *National Right to Work Comm. v. FEC*, 716 F.2d 1401, 1403 (D.C. Cir. 1983)).
16 An inference of knowing and willful conduct may be drawn "from the defendant's elaborate
17 scheme for disguising" his or her actions. *United States v. Hopkins*, 916 F.2d 207, 214-15 (5th
18 Cir. 1990). The evidence need not show that the defendant "had specific knowledge of the
19 regulations" or "conclusively demonstrate" a defendant's "state of mind," if there are "facts and
20 circumstances from which the jury reasonably could infer that [the defendant] knew her conduct
21 was unauthorized and illegal." *Id.* at 213 (*quoting* *United States v. Bordelon*, 871 F.2d 491, 494
22 (5th Cir.), *cert. denied*, 439 U.S. 838 (1989)).

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1 **The Facts**

2 6. Between November 2003 and March 2005 Respondent diverted a total of \$23,700 of
3 the Committee's Federal receipts into a separate bank account known only to Respondent.

4 7. Respondent was one of the employees responsible for receiving incoming receipts on
5 behalf of the Committee.

6 8. Respondent, upon receiving incoming receipts, diverted checks payable to the
7 Committee into the separate bank account.

8 9. Respondent, by opening a bank account known only to her, and to which only she had
9 access, attempted to disguise her illegal conduct.

10 10. Respondent was criminally prosecuted for her illegal conduct. She pled guilty to twenty
11 counts of bank fraud in connection with the activity, and was sentenced to serve a one-year prison
12 sentence at the Federal Correctional Institute in Marianna, Florida. Respondent was also ordered to
13 pay restitution to the Committee and to the Georgia Medical Association totaling \$141,296.90.

14 11. Respondent has also been ordered to pay two thousand dollars (\$2,000) in Government
15 assessments, \$100 for each count of the twenty-count Federal indictment.

16 V. Stephanie Verden knowingly and willfully violated 2 U.S.C. § 432(b)(3) by
17 commingling the Committee's Federal funds with her personal funds.

18 VI. 1. Respondent will cease and desist from violating 2 U.S.C. § 432(b)(3).

19 2. Respondent is prohibited from working or volunteering for Federal political
20 committees in any capacity involving committee finances.

21 VII. Respondent Stephanie Verden, through the submission of a financial

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1 affidavit to the Commission and additional representations from counsel has indicated that financial
 2 hardship prevents her from paying a civil penalty to the Commission. By signing this agreement,
 3 the Respondent represents that she has insufficient assets and income out of which she could pay a
 4 civil penalty; that she has no annual salary; that she receives a pension of \$305 per month for her
 5 prior service with Eastern Airlines; that she has undisputed debts in excess of \$200,000, which
 6 include back taxes, restitution owed to the Georgia Medical Association and to the Committee; and
 7 she has assorted other debts; that she is the sole supporter of her ill spouse; and that materials she
 8 has submitted to the Commission completely represent her financial condition. The Commission
 9 regards these submissions and representations as material representations. Due to the mitigating
 10 circumstances presented by Respondent Verden's financial condition and by her criminal conviction
 11 to related charges, the Commission agrees not to seek the civil penalty that the Commission would
 12 ordinarily accept for this type of activity. If it is later discovered that the Respondent has made
 13 material misrepresentations regarding her financial condition, a civil penalty of Forty-Seven
 14 Thousand Dollars (\$47,000) shall be immediately due, pursuant to 2 U.S.C. § 437g(a)(5)(B).

15 VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
 16 § 437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance
 17 with this agreement. If the Commission believes that this agreement or any requirement thereof has
 18 been violated, it may institute a civil action for relief in the United States District Court for the
 19 District of Columbia.

20 IX. This agreement shall become effective as of the date that all parties hereto have
 21 executed same and the Commission has approved the entire agreement.


22 X. This Conciliation Agreement constitutes the entire agreement between the parties
 23 on the matters raised herein, and no other statement, promise, or agreement, either written or

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1 oral, made by either party or by agents of either party, that is not contained in this written
2 agreement shall be enforceable.

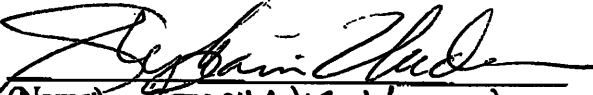
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4 FOR THE COMMISSION:

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6 Thomasenia P. Duncan
7 General Counsel

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9
10 BY: 
11 Ann Marie Terzaken
12 Acting Associate General Counsel
13 for Enforcement

10/19/07
Date

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16
17 FOR THE RESPONDENT:

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19
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21 
22 (Name) STEPHANIE VERDEN
23 (Position) Respondent
24

August 8, 2007
Date

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