



Federal Election Commission
Washington, DC 20463

April 10, 2007

Cleveland Moton
Chuck Espy for Congress
P.O. Box 1508
Clarksdale, MS 38614

Re: ADR 370 (MUR 5791)

Dear Mr. Moton:

On August 15, 2005, the Federal Election Commission ("FEC" or "Commission") notified Chuck Espy for Congress of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with the notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and take no further action against the Respondents Chuck Espy for Congress and Cleveland Moton, Treasurer. In its memorandum to the Commission, dated March 30, 2007, this office stated:

Summary: Committees may not accept contributions that exceed the limits set forth in the FECA. The law requires committees either to refund excessive contributions to the donor, re-designate the contribution to another election, if appropriate, or re-attribute the contribution if the contribution is a joint contribution. The law also provides that candidate may expend unlimited expenditures of their own personal funds.

In this case, Complainant alleged that Chuck Espy, a primary candidate for the second district in Mississippi, and his campaign, accepted \$4200 in contributions from his uncle, Michael Espy, and stated that the Respondents (Chuck Espy for Congress, and Cleveland Moton, Treasurer, or "the Committee") and were required to refund the excessive contribution. The Complainant also alleged the candidate did not report the sources for his \$24,100 of contributions. Respondents stated that they refunded the \$2100 in excessive contributions from the candidate's uncle, Mike Espy, and that they would report this refund in the next FEC Quarterly Report. With respect to the candidate's contributions, the Committee explained that all of \$24,100 came from the candidate's personal funds. The Committee further explained that \$22,000 of \$24,100 were personal funds which were left over

Federal Election Commission, Alternative Dispute Resolution Office
999 E Street N.W., Washington, DC 20463
Telephone: 202.694.1670 Fax: 202.219.0613

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funds from a home equity loan the candidate took out to pay off his first and second mortgages. These funds did not represent a candidate loan, the Respondents stated, because the Committee never intended to repay the candidate.

Accordingly, the Commission closed its file in this matter on April 5, 2007.

The FEC is obligated by federal regulations to make a finding to terminate its proceedings public, as well as the basis therefore. 11 C.F.R. § 111.20(b). In addition, the Commission will also place on the record copies of the complaint, correspondence exchanged between Respondents and the Commission, and reports prepared for the Commission by this office to assist in its consideration of this matter. Accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

If you have any questions regarding this matter please be in touch. My telephone number is 202-694-1661.

Sincerely,



Deborah Ruth Kant, Director,
Alternative Dispute Resolution Office

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