



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

E. Mark Braden
Baker & Hostetler LLP
1050 Connecticut Avenue, N.W.
Suite 1100
Washington, DC 20036

DEC 29 2007

RE: MUR 5888
Raese for Senate Committee et al.

Dear Mr. Braden:

On December 3, 2007, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 434(a)(6)(B)(iii) and (iv) and 11 C.F.R. §§ 400.21(a) and 400.22(a), provisions 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. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink that reads "Elena Paoli".

Elena Paoli
Attorney

Enclosure
Conciliation Agreement

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In the Matter of)
) MUR: 5888
Raese for Senate Committee and James Troy,)
 in his official capacity as Treasurer)
John Reeves Raese)
)

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 and by a signed, sworn, and notarized complaint. After examining the facts and circumstances of this matter, the Commission found probable cause to believe that John Reeves Raese violated 2 U.S.C. § 434(a)(6)(B)(iii) and 2 U.S.C. § 434(a)(6)(B)(iv), and Raese for Senate Committee and James Troy, in his official capacity as Treasurer, violated 2 U.S.C. § 434(a)(6)(B)(iii), 2 U.S.C. § 434(a)(6)(B)(iv), 11 C.F.R. § 400.21(a), and 11 C.F.R. § 400.22(a).

NOW, THEREFORE, the Commission and John Reeves Raese, Raese for Senate Committee and James Troy, in his official capacity as Treasurer, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over John Reeves Raese, Raese for Senate Committee and James Troy, in his official capacity as Treasurer (collectively, "the Respondents") 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. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

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

1. Raese for Senate Committee is a political committee within the meaning of 2 U.S.C. § 431(4). It was the principal campaign committee for John Reeves Raese, a candidate for the Senate from West Virginia in 2006.

2. James Troy is the treasurer of Raese for Senate Committee.

3. A Senate candidate who intends to make expenditures from personal funds in an election that exceed the established state threshold must within fifteen days of becoming a candidate file a declaration stating the total amount of such intended expenditures with the Commission and each candidate in the same election. 2 U.S.C. § 434(a)(6)(B)(ii) and 11 C.F.R. § 400.20.

4. Not later than 24 hours after initially exceeding the reporting threshold, which is twice the established state threshold, the candidate and committee must file a notification (FEC Form 10, Notification of Expenditures from Personal Funds) with the Commission, the Secretary of the Senate, and each candidate in the same election. 2 U.S.C. § 434(a)(6)(B)(iii) and 11 C.F.R. § 400.21(a).

5. Thereafter, the candidate and committee must file an additional Form 10 each time the candidate expends more than \$10,000 in personal funds. 2 U.S.C. § 434(a)(6)(B)(iv) and 11 C.F.R. § 400.22(a).

6. In 2006, the West Virginia Senate reporting threshold was \$414,720.

7. Candidates must ensure that their principal campaign committees file all reports required by these provisions in a timely manner. 11 C.F.R. § 400.25.

8. Between January 31, 2006 and April 11, 2006, Mr. Raese expended \$355,000 in personal funds on his campaign.

9. On April 19, 2006, Mr. Raese made a \$70,000 loan to the Committee, increasing his total personal expenditures to \$425,000. By expending over \$414,720, the Committee and candidate were obligated to file with the Commission and with Mr. Raese's opponents an FEC Form 10 within 24 hours of the threshold expenditure.

10. In addition, on April 27, 2006, Mr. Raese made a \$100,000 loan to the Committee and failed to file an FEC Form 10 within 24 hours of this expenditure.

11. On May 3, 2006, Mr. Raese made an \$80,000 loan to the Committee, and filed an initial FEC Form 10 disclosing the April 19, April 27 and May 3 loans. The notification was thirteen days late regarding the April 19 loan and five days late regarding the April 27 loan. The notification was timely regarding the May 3 loan.

V. Respondents committed the following violations:

1. Respondent John Reeves Raese violated 2 U.S.C. § 434(a)(6)(B)(iii) by failing to file an initial notification disclosing that the candidate expended personal funds in excess of \$414,720 and violated and 2 U.S.C. § 434(a)(6)(B)(iv) by failing to file one additional notification following an additional expenditure of personal funds in excess of \$10,000.

2. Respondent Raese for Senate Committee and James Troy, in his official capacity as Treasurer, violated 2 U.S.C. § 434(a)(6)(B)(iii) and 11 C.F.R. § 400.21(a) by failing to file an initial notification disclosing that the candidate expended personal funds in excess of \$414,720 and violated 2 U.S.C. § 434(a)(6)(B)(iv) and 11 C.F.R. § 400.22(a) by failing to file one additional Form 10 following an additional expenditure of personal funds in excess of \$10,000.

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VI. Respondents will take the following actions:

1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of seventy four thousand five hundred dollars (\$74,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Respondents will cease and desist from violating 2 U.S.C. § 434(a)(6)(B)(iii), 2 U.S.C. § 434(a)(6)(B)(iv), 11 C.F.R. § 400.21(a), and 11 C.F.R. § 400.22(a) by failing to file timely notifications of personal spending in excess of established thresholds.

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

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

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.


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

Conciliation Agreement
MUR 5888
Raese for Senate Committee, et al

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

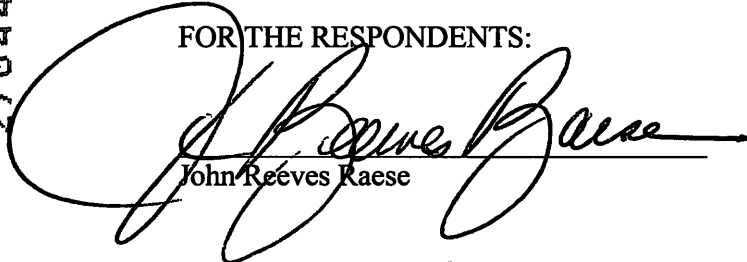
FOR THE COMMISSION:

Thomasenia P. Duncan
General Counsel

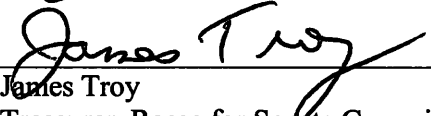
BY: 
Ann Marie Terzaken
Associate General Counsel
for Enforcement

12/10/07
Date

FOR THE RESPONDENTS:


John Reeves Raese

11/19/2007
Date


James Troy
Treasurer, Raese for Senate Committee

11/19/2007
Date

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