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AOR 2007-07

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FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
2007 APR -5 A 11:40

April 4, 2007

Thomasenia Duncan, Esq.  
Acting General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

RE: AOR on Behalf of Craig for Congress

Dear Ms. Duncan:

This Advisory Opinion Request is submitted on behalf of Craig for U.S. Congress ("Craig Campaign"). The Craig campaign was the principal campaign committee for James Craig, a candidate for the Democratic nomination for the United States House of Representatives for the First District of New Hampshire in 2006. The Craig campaign seeks confirmation that it may amend its disclosure reports to properly characterize loans made by the candidate, James Craig to the Craig campaign that were inadvertently disclosed as contributions to the campaign on its reports instead of loans, as was the original intent of Mr. Craig.

Mr. Craig made two loans from his personal funds to the Craig campaign to cover the costs of winding down his campaign and to pay off the committee's obligations. On September 29, 2006 Mr. Craig made a loan from his personal funds to the campaign in the amount of seventeen thousand dollars (\$17,000.00). On October 24, 2006 Mr. Craig made an additional loan from his personal funds in the amount of twenty thousand dollars (\$20,000.00) to the Craig campaign, again to retire campaign debt.

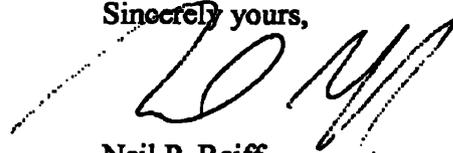
Due to a miscommunication between Mr. Craig, the Craig campaign's bookkeeper and the Craig campaign's outside compliance consultant, these transactions were inadvertently reported to the Commission as contributions from Mr. Craig rather than as loans, as was Mr. Craig's intention. Attached to this request is an affidavit from Mr. Craig attesting to his intent in this matter.

In all material respects, this matter appears to be identical to the facts presented to the Commission in Advisory Opinion 2006-37. In that matter, the Commission determined that a committee, that initially disclosed payments received by the candidate as contributions, could reclassify the payments as loans since it was the intent of the candidate that the payments to the committee be treated as such.

Similarly, Mr. Craig asserts that it was, and has always been, his intention for these funds to be considered as loans and not as contributions to the Craig campaign. He recently discovered this error and wishes permission to amend the Craig campaign's 2006 October Quarterly and 2006 Year-End reports to properly reflect the transactions as loans.

Unlike Advisory Opinion 2006-37, Mr. Craig had intended to raise funds from prospective donors to repay these loans. Mr. Craig and several prospective donors are anxiously waiting for approval from the Commission that this amendment can be filed and solicitations to retire this debt can be made. Therefore, I respectfully request that this submission be reviewed under the Commission's expedited process for Advisory Opinions set forth in 11 C.F.R. § 112.4(b). Thank you for your time and prompt attention to this matter. If you have any questions regarding this request, feel free to contact me at (202) 479-1111.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Neil P. Reiff", written over a dotted line.

Neil P. Reiff  
Counsel to Craig for Congress

**AFFIDAVIT to the FEDERAL ELECTION COMMISSION**

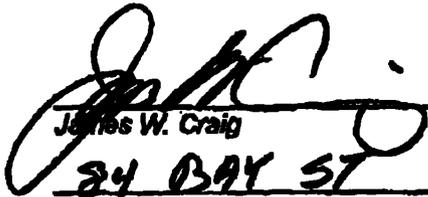
State of New Hampshire  
County of Hillsborough

BEFORE ME, the undersigned Notary,  
Ashley Beauchemin, on this fourth  
[day of month] day of April 2007, personally appeared James W. Craig, known to me to be a  
credible person and of lawful age, who being by me first duly sworn, on his oath, deposes and  
says:

My name is James W. Craig. In 2006 I was a candidate for the Democratic nomination to United  
States House of Representatives for the New Hampshire 1<sup>st</sup> Congressional District. My principal  
campaign committee was the Craig for Congress Committee (FEC ID C00421347).

On September 29, 2006 I made a loan from my personal funds to my campaign committee in the  
amount of seventeen thousand dollars (\$17,000.00) to retire the debt from my campaign.  
Likewise on October 24, 2006 I made a loan from my personal funds in the amount of twenty  
thousand dollars (\$20,000.00), again to retire campaign debt. Due to a mis-communication  
between myself, the committee's bookkeeper and the campaign's outside compliance consultant,  
these transactions were inadvertently reported as contributions from me rather than as a loans.

It was, and has always been, my intention for these funds to be considered as loans and not as  
contributions to my campaign committee. I have recently discovered this error and I have  
instructed our compliance consultant to amend the October Quarterly and Year-End reports to  
properly reflect the transactions as a loans.

  
\_\_\_\_\_  
James W. Craig  
84 BAY ST  
MANCHESTER, NH  
03104

Subscribed and sworn to before me, this fourth day of April, 2007.

[Notary Seal:]

  
\_\_\_\_\_  
[Signature of Notary]  
\_\_\_\_\_  
[Typed name of Notary]  
NOTARY PUBLIC  
My Commission expires: \_\_\_\_\_, 20\_\_\_\_.

ASHLEY BEAUCHEMIN, Notary Public  
My Commission Expires September 27, 2011



"Neil Reiff"  
<reiff@sandlerreiff.com>

04/13/2007 11:05 AM

Please respond to  
<reiff@sandlerreiff.com>

To <dpugh@fec.gov>

cc

bcc

Subject FW: Scanned Affidavit

Duane, an additional affidavit is attached. Call me if you would like to discuss.

Neil P. Reiff

Sandler, Reiff & Young, P.C.  
50 E Street, S.E.  
Suite 300  
Washington, D.C. 20003  
w. (202) 479 - 1111  
f. (202) 479 - 1115

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Signed Foucart Affidavit.pdf

**AFFIDAVIT to the FEDERAL ELECTION COMMISSION**

My name is Brian Foucart. In 2006 I was engaged by the Craig for Congress campaign to assist the campaign in preparing and filing the campaign's reports with the Federal Election Commission. During the time in which the campaign was active I coordinated with the campaign staff and afterwards with the committee's bookkeeper.

In September and October of 2006 Mr. Craig made what I thought at the time were two contributions in the amount of \$17,000 and \$20,000. Believing these two transactions to be contributions rather than loans I had these transactions reported as such. I was unaware of Mr. Craig's intent to have these transactions reported as loans.

I now understand that it was Mr. Craig's intention for these funds to be considered as loans and not as contributions to his campaign committee.

 4/13/07  
\_\_\_\_\_  
Brian Foucart



"Neil Reiff"  
<reiff@sandlerreiff.com>

04/13/2007 03:35 PM

Please respond to  
<reiff@sandlerreiff.com>

To <dpugh@fec.gov>

cc

bcc

Subject FW: signed affidavit attached

3<sup>rd</sup> affidavit. Let me know if you need anything else.

Neil P. Reiff

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w. (202) 479 - 1111  
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**AFFIDAVIT to the FEDERAL ELECTION COMMISSION**

My name is Terry Flower. I am the owner of Bookkeeping Center of NH and have been for 24 years. In 2006 I was engaged by the Craig for Congress Committee to keep their books. .

After the wind-down of the campaign the committee was left with a number of debts which required settlement. On two occasions Mr. Craig made out checks to the campaign committee from his personal funds to cover these outstanding debts. In September 29, 2006 he made a payment to the campaign committee in the amount of \$17,000.00 and again on October 24, 2006 he made a payment in the amount of \$20,000.00 to defray the debts of the campaign committee. Since this was the first political campaign I had ever had an opportunity to work with, I was completely unaware of the reporting requirements when the time came to retire debt. I handled all of the paperwork for the loans made by Mr. Craig, however I recorded these payments as income for the Committee's books and provided income and expenditure information to the committee's FEC consultant for filing of the committee's regulatory reports. Although it was my understanding that Mr. Craig intended these payments as a loan, I did not communicate to the committee's compliance consultant that Mr. Craig intended these payments as a loan.

Recently Mr. Craig asked me to contact Mr. Foucart, the committee's compliance consultant, to inquire about debt repayment. Mr. Foucart told me that he was unaware of Mr. Craig's intent to have the income he provided to the campaign as a loan rather than as a contribution and that he had already reported Mr. Craig's income as a contribution and not as a loan. This entire matter is a result of poor communication, misunderstanding and confusion between and amongst Mr. Craig, Mr. Foucart and me.

  
\_\_\_\_\_  
Terry Flower

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\_\_\_\_\_