

BEFORE THE FEDERAL ELECTION COMMISSION

APR 02 2001

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COMMISSION  
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**SENSITIVE**

In the Matter of )

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Honorable Gene Stipe  
The Stipe Law Firm

) MUR 4818

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**GENERAL COUNSEL'S REPORT #4**

**I. ACTION RECOMMENDED** : Deny the request for pre-probable cause conciliation from Oklahoma state Senator Gene Stipe and The Stipe Law Firm.

**II. BACKGROUND**

On October 15, 1999, the Commission found reason to believe that Oklahoma state Senator Gene Stipe knowingly and willfully violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in excess of the statutory limits to Walt Roberts for Congress, the authorized committee of 1998 Oklahoma Congressional candidate Walt Roberts. The Commission also found reason to believe that Senator Stipe and The Stipe Law Firm knowingly and willfully violated 2 U.S.C. § 441f by reimbursing contributions made in the names of various persons employed by or associated with The Stipe Law Firm. The Commission made corresponding reason-to-believe findings against the candidate, his campaign committee, the conduits and others.

In their December 1999 response to the Commission's findings, Senator Stipe and the Stipe Law Firm requested pre-probable cause conciliation. See Attachment 1. In February 2000, they asked that the request be held in abeyance until completion of the investigation. See Attachment 2.

On April 28, 2000, the Commission approved subpoenas for depositions and documents to Senator Stipe, Walt Roberts and 16 others. In June 2000, this Office deposed 10 of those

persons in Oklahoma. The depositions brought to light new transactions that suggests that Senator Stipe provided Walt Roberts with additional funds for the purpose of aiding Walt Roberts' Congressional campaign. Additionally, FEC investigators traveled to Oklahoma to interview conduits and numerous witnesses, and discovered that an additional person from The Stipe Law Firm was involved in soliciting a reimbursement, and that others connected to the initial conduits may have been reimbursed. In December 2000, this Office traveled to Oklahoma and deposed several other persons, including Senator Stipe's secretary, Charlene Spears (who acknowledges making the reimbursements to Stipe Law Firm staff and others) and the treasurer of Walt Roberts for Congress. In January of 2001, staff again traveled to Oklahoma and deposed Senator Stipe and Walt Roberts.<sup>1</sup> From January through March 2001, this Office attempted to obtain additional documents brought to light during depositions, and interviewed several members of Walt Roberts' former campaign staff and consultants. Affidavits from those persons are now being finalized.

This Office has now completed its investigation. The deposition testimony, informal interviews and documents produced indicate that the violations are more extensive than previously believed. The evidence also indicates that the scheme was more deliberate and concerted than previously believed. Given what is currently known about the scope and nature of the violations, this Office intends to brief the case, as the Commission may well conclude it is an appropriate matter for referral to the Department of Justice for criminal prosecution. *See* 2 U.S.C. § 437g(a)(5)(C). This Office anticipates that the Briefs will be completed by May of

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<sup>1</sup> The depositions of Senator Stipe and Walt Roberts were originally scheduled for December, 2000. But at the request of Senator Stipe's counsel, his deposition was rescheduled until January 2001. See Attachment 3.

2001. Accordingly, this Office recommends that the Commission deny the request of Senator Gene Stipe and The Stipe Law Firm that the Commission enter into conciliation prior to a finding of probable cause.

**III. RECOMMENDATIONS**

1. Deny the request of Senator Gene Stipe and The Stipe Law Firm to enter into conciliation prior to a finding of probable cause to believe.
2. Approve the appropriate letter.

Lois G. Lerner  
Acting General Counsel

4/2/01  
Date

Abigail A. Shaine  
BY: Abigail A. Shaine  
Acting Associate General Counsel

**Attachments**

1. Conciliation request
2. Request that conciliation be held in abeyance
3. Postponement of deposition request