



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

OCT 23 2003

VIA FIRST CLASS MAIL

Paul E. Beavers
Edith S. Beavers
9421 Overholser Drive
Yukon, OK 73099-3288

RE: MUR 4818

Dear Mr. and Mrs. Beavers:

On October 9, 2003, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation, and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such

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counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Margaret J. Toalson, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,



David M. Mason
Commissioner

Enclosures:

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

24.04.403.1233

1 **FEDERAL ELECTION COMMISSION**
2 **FACTUAL AND LEGAL ANALYSIS**
3
4

5 **RESPONDENT:**

6 Paul Beavers)

7 Edith Beavers)

MUR 4818

8)
9 **I. GENERATION OF MATTER**

10 This matter was generated based on information ascertained by the Federal Election
11 Commission (the "Commission") in the normal course of carrying out its supervisory
12 responsibilities. *See* 2 U.S.C. § 437g(a)(2).

13 **II. FACTUAL AND LEGAL ANALYSIS**¹

14 **A. Law**

15 The Federal Election Campaign Act of 1971, as amended, makes it unlawful for any
16 person to make contributions to any candidate and his authorized political committee regarding
17 any election for Federal office, which, in the aggregate, exceeds \$1,000 per election. 2 U.S.C.
18 §§ 441a(a)(1)(A); 431(8)(A). A "contribution" includes any direct or indirect payment,
19 distribution, loan, advance, deposit or gift of money, or any services, or anything of value to any
20 candidate or campaign committee, in connection with a Federal election. 2 U.S.C. § 431(8)(A).

21 The Act also prohibits any candidate or political committee or agent thereof from
22 knowingly accepting any contribution or making any expenditure in violation of the provisions of
23 2 U.S.C. § 441a. 2 U.S.C. § 441a(f). It is also unlawful for any person to make a contribution in
24 the name of another, or for any person to knowingly permit his or her name to be used to make

¹ The activity in this case is governed by the Act and the regulations in effect during the pertinent time period, which precedes amendments to the regulations made by the Bipartisan Campaign Reform Act of 2002 ("BCRA").

1 such a contribution. 2 U.S.C. § 441f. Moreover, no person may knowingly help or assist any
2 person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

3 **B. Facts & Analysis**

4 Walter L. Roberts was a candidate for Oklahoma's Third Congressional District for the
5 U.S. House of Representatives in 1998. The primary election for the Democratic nomination to
6 represent Oklahoma's Third Congressional District occurred on August 25, 1998. Roberts also
7 owned an auction company. Walt Roberts for Congress (the "Committee") was the political
8 committee within the meaning of 2 U.S.C. § 431(4) for Roberts' campaign.

9 Gene Stipe was the founder of the Stipe Law Firm where he was a senior partner until
10 2003. Mr. Stipe was also an Oklahoma State Senator representing a portion of Southeastern
11 Oklahoma, and a political mentor and friend to Roberts. Mr. Stipe was involved in running
12 Roberts' campaign, from making strategic decisions to hiring and firing of staff.

13 Charlene Spears was an employee at the Firm and Gene Stipe's personal assistant. Spears
14 was involved in the Roberts' campaign, making decisions on campaign purchases, instructing
15 staff, and handling some of the campaign's banking.

16 Paul Beavers is an acquaintance of Stipe and has been in business with Stipe in the past.
17 Edith "Suzie" Beavers is Paul Beavers' wife. Joey Smith is Beavers' youngest child. Jessie
18 North is Edith Beavers' brother and Tina North is his daughter.

19 On March 26, 2003, Stipe was charged with perjury under 18 U.S.C. § 1621, and two
20 counts of conspiracy under 18 U.S.C. § 371. On April 1, 2003, Stipe pleaded guilty to perjury, a
21 felony violation of 18 U.S.C. § 1621, conspiracy to obstruct a Commission investigation, a
22 felony violation of 18 U.S.C. § 371, and conspiracy to violate the Act, a misdemeanor violation

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1 of 18 U.S.C. § 371. In the plea documents, Stipe admitted that through respondents, Stipe was
2 able to make contributions in the names of another through straw contributors.

3 On a date uncertain, Gene Stipe asked Paul Beavers to funnel money to the Committee
4 that Stipe would later provide. Stipe asked Mr. Beavers to recruit persons that could be used as
5 straw-contributors using his money to the Committee.

6 Mr. Beavers told Stipe that he found persons who would contribute his money to the
7 Committee in their names. Stipe then provided Mr. Beavers with checks that were to be
8 deposited into their accounts for reimbursement of straw contributors. Mr. Beavers then
9 provided the checks to Ms. Beavers, which she endorsed and deposited.

10 Respondents then approached Jesse North, Brenda Smith, Tina Hurst and Joey Smith and
11 asked if they would make contributions to the Committee with money they would provide. Each
12 person agreed and made contributions to the Committee using money provided. Mr. and Ms.
13 Beavers also made contributions to the Committee with money provided to them by Stipe.

14 As a result of the reimbursements, the Committee reported these contributions as from
15 the straw contributor and not the actual contributor, Gene Stipe and the Firm. These
16 contributions were as follows:

24.04.403.1291

Straw Contributor	Conduit	Amount of Contribution	Date of Contribution	Date Report filed with FEC
Paul Beavers	The Beavers	\$250	3/11/98	4/15/98
Paul Beavers	The Beavers	\$1,000	10/22/98	12/3/98
Paul Beavers	The Beavers	\$1,250	10/22/98	12/3/98
Paul Beavers	The Beavers	\$750	3/26/98	4/15/98
Edith Beavers	The Beavers	\$250	3/11/98	9/30/98
Edith Beavers	The Beavers	\$1,000	10/22/98	12/3/98
Edith Beavers	The Beavers	\$1,000	10/22/98	12/3/98
Edith Beavers	The Beavers	\$1,000	10/22/98	12/3/98
Jesse North	The Beavers	\$1,000	10/26/98	12/3/98
Jesse North	The Beavers	\$1,000	10/26/98	12/3/98
Jesse North	The Beavers	\$1,000	10/26/98	12/3/98
Brenda Smith	The Beavers	\$1,000	10/22/98	12/3/98
Brenda Smith	The Beavers	\$1,000	10/22/98	12/3/98
Tina Hurst	The Beavers	\$1,000	10/31/98	12/3/98
Tina Hurst	The Beavers	\$1,000	10/31/98	12/3/98
Joey Smith	The Beavers	\$1,000	10/22/98	12/3/98
Joey Smith	The Beavers	\$1,000	10/22/98	12/3/98
Joey Smith	The Beavers	\$1,000	10/22/98	12/3/98

Respondents knew that their contributions and those of the other straw contributors were illegal when they made them and assisted others in the making of them.

III. CONCLUSION

Accordingly, there is reason to believe that Paul Beavers and Edith Beavers knowingly and willfully violated 2 U.S.C. § 441f.