



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

VIA FIRST CLASS MAIL

JAN 14 2004

Warren Gotcher, Esquire
Gotcher & Belote
2626 S. 14th Street
McAlester, OK 74501

RE: MUR 4818
Larry Morgan

Dear Mr. Gotcher:

On January 8, 2004, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to Mr. Morgan.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Margaret J. Toalson".

Margaret J. Toalson
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
 Larry Morgan) MUR 4818
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (the "Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Larry Morgan ("Respondent") knowingly and willfully violated 2 U.S.C. § 441f.

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent 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)(5)(A)(i) and 11 C.F.R. § 111.18(d).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

Actors

1. Walter L. Roberts was a candidate for Oklahoma's Third Congressional District in 1998. Roberts is also an artist and the owner of an auction company ("Auction Company") located in McAlester, Oklahoma.

2. Walt Roberts for Congress (the "Committee") was the political committee within the meaning of 2 U.S.C. § 431(4) for Roberts.
3. The primary election for the Democratic nomination to represent Oklahoma's Third Congressional District, which Roberts ran in, occurred on August 25, 1998. Roberts received the most votes in the primary, but not enough to avoid a runoff election, held on September 15, 1998. The general election occurred on November 3, 1998.
4. Gene Stipe was the founder of the Stipe Law Firm (the "Firm") located in McAlester, Oklahoma, where he was a senior partner until 2003. Gene Stipe was also an Oklahoma state senator representing a portion of Southeastern Oklahoma, and a political mentor and friend to Roberts.
5. Charlene Spears was an employee at the Firm and Gene Stipe's personal assistant. Spears was involved in the Roberts' campaign, making decisions on campaign purchases, instructing staff, and handling some of the campaign's banking.
6. Michael Mass is a friend of Roberts and former Representative in the Oklahoma House of Representatives. Larry Morgan is an acquaintance of Michael Mass.

Applicable Law

7. The Federal Election Campaign Act of 1971, as amended (the "Act"), makes it unlawful for any person to contribute to any candidate and his authorized political committee for Federal office to \$1,000 per election. 2 U.S.C. § 441a(a)(1)(A).

8. It is also unlawful for any person to make a contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. Moreover, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

Factual Background

9. On a date uncertain, Mass visited Gene Stipe at the Firm. Stipe asked Mass to funnel money to the Committee that Stipe would provide in the form of campaign contributions. Stipe asked Mass to recruit persons that could be used as straw-contributors using his money to the Committee.
10. Mass approached Morgan and informed him of this scheme. Morgan agreed to assist Mass and Stipe in the making of campaign contributions in the names of others to the Committee.
11. On a date uncertain, Mass went to the Firm and picked up a check, drawn on a Firm account, from Spears for \$15,000.
12. On October 8, 1998, Mass took this check and gave it to Morgan. Mass instructed Morgan on how to handle the money from the Firm. Mass told Morgan that the reimbursement scheme is how Stipe and Spears wanted the money handled.
13. Morgan then deposited the \$15,000 check into his personal account. After making the deposit, Morgan in turn wrote Mass a check on his account for \$6,000, which Mass deposited into his personal account.

14. On October 9, 1998, Mass then took that money and made three \$1,000 contributions to the Committee. On that same date, Suzanne Mass, Mass' wife, also made three \$1,000 contributions to the Committee.

15. Morgan then wrote two checks for \$3,000 to his mother, Altaclair Morgan, and sister, Carolyn Trueblood, for the purpose of them to each contribute \$3,000 in return to the Committee.

16. On October 9, 1998, Larry Morgan, Altaclair Morgan and Carolyn Trueblood each made three \$1,000 contributions to the Committee with the money that Mass provided.

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

| Straw Contributor | Conduit | Amount of Contribution | Date of Contribution | Date Report filed with FEC |
|-------------------|---------------|------------------------|----------------------|----------------------------|
| Suzanne Mass | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Suzanne Mass | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Suzanne Mass | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Mike Mass | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Mike Mass | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Mike Mass | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Larry Morgan | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Larry Morgan | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Larry Morgan | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Altaclair Morgan | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Altaclair Morgan | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Altaclair Morgan | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Carolyn Trueblood | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Carolyn Trueblood | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |
| Carolyn Trueblood | (Mass/Morgan) | \$1,000 | 10/9/98 | 10/21/98 |

18. Larry Morgan knew that his contributions and those of the other straw contributors were illegal when he made them and assisted others in the making of them.

Violations

V. Respondent Larry Morgan knowingly and willfully violated 2 U.S.C. § 441f by assisting Gene Stipe in the making of contributions to Walt Roberts for Congress in the names of others. Respondent will cease and desist from violating 2 U.S.C. § 441f.

Civil Penalty

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Eighteen Thousand Five Hundred dollars (\$18,500.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

Other Provisions

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. Respondent shall have no more than thirty days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement.

IX. 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 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:

Lawrence H. Norton
General Counsel

BY: *Rhonda J. Vostling* *1/13/04*
Rhonda J. Vostling Date
Associate General Counsel
for Enforcement

FOR THE RESPONDENT:

Larry Morgan *12/16/03*
Larry Morgan Date

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