

MAY 27 2004

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

2004 MAY 27 A 9:37

James E. Lane
Edith Susie Beavers
Paul E. Beavers

MURs 4818 & 4933

SENSITIVE

GENERAL COUNSEL'S REPORT #16

I. ACTIONS RECOMMENDED

1. Accept three conciliation agreements.
2. Close the file.

II. BACKGROUND

MUR 4818 arose from a complaint alleging that Walt Roberts and Walt Roberts for Congress ("the Committee") knowingly and willfully violated 2 U.S.C. § 441a(f) by accepting prohibited contributions. An investigation revealed that Gene Stipe devised multiple schemes to contribute funds to the Committee while hiding himself as the true source of the contributions.

On October 9, 2003, the Commission found reason to believe that James E. Lane knowingly and willfully violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f, and authorized this Office to enter pre-probable cause conciliation with Lane. The Commission also found reason to believe that Edith Susie Beavers and Paul E. Beavers knowingly and willfully violated 2 U.S.C. § 441f, and authorized this Office to enter pre-probable cause conciliation with the Beavers. *See* GCR #10 (Sept. 26, 2003) (attaching Lane's guilty plea and discussing his criminal sentence). In this report, we recommend that the Commission accept three conciliation agreements with these respondents. Attachments 1-3. To date in this matter, the Commission has accepted eight

1 conciliation agreements with nine respondents, which included civil penalties totaling \$537,500.¹
2 By accepting these agreements with the remaining Respondents, and with civil penalties totaling
3 an additional \$32,000 (yielding \$569,500 total for the case), the Commission can close the file in
4 MUR 4818 and make the matter public.² This Office also recommends the Commission now
5 close MUR 4933, the companion case involving the \$50,000 candidate loan derived from Gene
6 Stipe's brother, Francis Stipe (discussed in GCR # 15 dated March 5, 2004).

7 **III. DISCUSSION**

8
9
10
11
12
13
14
15
16
17

¹ Gene Stipe settled for \$267,000; The Stipe Law Firm settled for \$101,000; Charlene Spears settled for \$50,000; Francis Stipe settled for \$35,000; Harold Massey, Sr., settled for \$36,000; Michael Mass settled for \$30,000; Larry Morgan settled for \$18,500; and Walt Roberts and Walt Roberts for Congress settled with no civil penalty due to their inability to pay. See GCR #14 (Jan. 16, 2004), GCR #15 (Feb. 12, 2004), GCR #11 (Nov. 28, 2003), GCR #12 (Dec. 9, 2003), and GCR #13 (Dec. 31, 2003), respectively.

² This Office also recommends that the Commission take no further action and close the file as to Chris Clark, the treasurer of Walt Roberts for Congress. Previously, we informed the Commission that there was no evidence that Clark was personally involved in any of the transactions at issue in this matter but recommended keeping the file open with respect to him pending resolution of the matter. See GCR #10 at 18 n.15; GCR #6 at 18. Now that the matter is closing, we recommend that the Commission take no further action against Clark.

CONCILIATION INFORMATION IS CONTAINED IN PAGES 3-6.
THESE PAGES HAVE BEEN REMOVED FROM THE FILE.

24.04.413.1510

IV. RECOMMENDATIONS

1. Take no further action against Chris Clark.
2. Accept the attached conciliation agreement with James E. Lane.
3. Accept the attached conciliation agreement with Edith Susie Beavers.
4. Accept the attached conciliation agreement with Paul E. Beavers.
5. Approve the appropriate letters.
6. Close the file in Matters Under Review 4818 & 4933.

Lawrence H. Norton
General Counsel

5/26/04
Date

Rhonda J. Vosdigh
BY: Rhonda J. Vosdigh
Associate General Counsel
for Enforcement

Jonathan A. Bernstein
Jonathan A. Bernstein
Assistant General Counsel

Margaret J. Toalson
Margaret J. Toalson
Attorney


Daniel G. Pinegar
Attorney

Attachments:

1. Conciliation Agreement – James Lane
2. Conciliation Agreement – Edith Susie Beavers
3. Conciliation Agreement – Paul Beavers

24-04-408-1512