



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JUN 30 2004

VIA FAX (202-226-1463) AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable Ernest J. Istook, Jr.
3501 N.W. 63rd Street, Suite 601
Oklahoma City, OK 73112

RE: MURs 4818 and 4933
Gene Stipe et.al.

Dear Rep. Istook:

This is in reference to the complaint you filed with the Federal Election Commission (the "Commission") on October 9, 1998, concerning Walt Roberts for Congress (MUR 4818). MUR 4933 involved related transactions raised by the Commission's Reports Analysis Division. The Commission conducted an extensive investigation that uncovered massive deliberate violations, and in May 2002, the Commission found probable cause to believe Gene Stipe and the Stipe Law Firm knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A); Walt Roberts for Congress knowingly and willfully violated 2 U.S.C. §§ 434(b), 441a(f), 441f and 432(h); Walt Roberts knowingly and willfully violated 2 U.S.C. §§ 441a(f), 441f and 432(h); and Charlene Spears knowingly and willfully violated 2 U.S.C. § 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("Act"). The Commission also found that there was reason to believe James E. Lane and Francis Stipe knowingly and willfully violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f, and that Michael Mass, Larry Morgan, Paul and Edith "Susie" Beavers and Harold Massey, Sr. knowingly and willfully violated 2 U.S.C. § 441f.

From December 2003 to June 2004, the Commission accepted eleven conciliation agreements signed by respondents, with aggregate civil penalties of \$569,500, thereby concluding the matter. In each of the agreements, the respondents agree to cease and desist from violating the Act. Gene Stipe admits that he knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A) by making excessive contributions to Walt Roberts for Congress and contributions in the names of others. The Stipe Law Firm, now known as Stipe, Harper, Laizure, Uselton, Edwards & Belote, LLP, admits that it knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A) by making in-kind contributions to Walt Roberts for Congress and by making and assisting others in making contributions in the name of another. Walt Roberts admits that he knowingly and willfully violated 2 U.S.C. §§ 441a(f), 441f and 432(h) by failing to report all receipts and disbursements, by knowingly accepting excessive contributions, by making disbursements from a non-designated account and by knowingly assisting others in making contributions in the name of another. Charlene Spears admits that she

knowingly and willfully violated 2 U.S.C. § 441f by knowingly making and assisting others in making contributions in the names of others, and by knowingly permitting her name to be used by Gene Stipe to make a contribution to Walt Roberts for Congress. The remaining conciliation agreements with James E. Lane, Francis Stipe, Michael Mass, Larry Morgan, Paul Beavers, Edith "Susie" Beavers, and Harold Massey, Sr., include admissions pertaining to each person's role in the violations of the Act.

In addition, the Commission approved admonishment letters and voted to take no further action as to Gloria Ervin, Cynthia Montgomery-Murray, Deborah Tumer, Shelley Dusenberry, Dana Thetford, and Jamie Benson. The Commission approved admonishment letters to John Thetford, Mark Thetford, Brenda Fields, Suzanne Mass, Altaclair Morgan, Carolyn Trueblood, Jessie North, Brenda Smith, Tina Hurst, Joey Smith, Debbie Massey, Larry "Mitch" Lowe, Cynthia Lowe, Harold Massey, Jr., Jill Massey, Michael Massey, Dorothy Massey, Terry and Marilyn Kinyon, Billy and Kay Semeski, Donald and Judy Goad, Thomas and Karen Webb, Jim and Sue Kindred, Patti Wells, and Larry Clifton. The Commission voted to take no further action as to Chris Clark and Ginger Barnes.

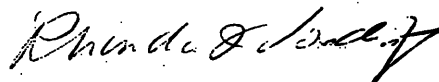
Additionally, prior to conciliation of this matter, on May 31, 2002, the Commission referred violations to the Department of Justice for criminal prosecution pursuant to 2 U.S.C. § 437g(a)(5)(C). In March and April 2003, four people pleaded guilty to felonies pertaining to this referral. Roberts and Spears each pleaded guilty to the felony of conspiracy to obstruct a Federal Election Commission investigation, and the misdemeanor of conspiracy to violate the Act. James E. Lane pleaded guilty to the felony of conspiracy to cause the submission of false statements. Gene Stipe pleaded guilty to perjury, a felony violation of 18 U.S.C. § 1621, conspiracy to obstruct a Commission investigation, a felony violation of 18 U.S.C. § 371, and conspiracy to violate the Act, a misdemeanor violation of 18 U.S.C. § 371. On January 30, 2004, Gene Stipe was sentenced to 1000 hours community service, five years probation, six months home detention and the maximum criminal fine of \$735,567.

In conclusion, the Commission closed the file in this matter on June 2, 2004. Documents related to the Commission's case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). A copy of the agreements with Gene Stipe, the Stipe Law Firm, Walt Roberts and Walt Roberts for Congress, Charlene Spears, James E. Lane, Francis Stipe, Michael Mass, Larry Morgan, Paul Beavers, Edith "Susie" Beavers, and Harold Massey, Sr. are enclosed for your information. Dispositive General Counsel's Reports discussing the admonishments and the no further action dispositions discussed above will be available on the public record.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Lawrence H. Norton
General Counsel



BY: Rhonda J. Vosdinger
Associate General Counsel
for Enforcement

Enclosures (by U.S. Mail only):
Conciliation Agreements