



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 581

Date Filmed 11/19/79 Camera No. --- 2

Cameraman bpc

79040162473



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *mwe*

FROM: MARJORIE W. EMMONS/MARGARET CHANEY

DATE: OCTOBER 19, 1979

SUBJECT: LATE OBJECTION TO MUR 581, Proposed Conciliation Agreement attached to the General Counsel's Memorandum dated October 15, 1979

Your office received a certification of approval at 5:00, October 17, 1979, covering the above-named document.

Commissioner Reiche submitted an objection to MUR 581 at 2:54, October 19, 1979. A copy of his vote sheet is attached.

Your office was contacted immediately and it was learned that the proposed actions had already be taken.

Commissioner Reiche's Executive Assiatant was given this information.

ATTACHMENT:
Copy of Vote Sheet



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 OCT 19 P 2: 54

Date and Time Transmitted: 10-15-79

4:00

Commissioner FRIEDBERG, ALLEN, TIERMAN, MCGARRY, REICHE, FARLEY

RETURN TO OFFICE OF COMMISSION SECRETARY BY: 10-17-79

4:00

MUR No. 581 Proposed Conciliation Agreement dated 10-15-79

- () I approve the recommendation
 (✓) I object to the recommendation

COMMENTS: By whose authority did they
change the amount of the civil penalty?

Date: 10/18/79 Signature: Frank P. Reiche

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER
 UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE
 RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO
 THE OFFICE OF COMMISSION SECRETARY. ONE OBJECTION PLACES THE ITEM
 ON THE EXECUTIVE SESSION AGENDA.





FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 18, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin
301 West Main
Durant, Oklahoma 74701

Re: MUR 581

Dear Mr. Swearengin:

The Commission has voted to accept the conciliation agreement which you signed in connection with MUR 581. Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to your violation of the Act. A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Marsha Gentner, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

A handwritten signature in dark ink, appearing to read "William C. Oldaker", is written over the typed name.

William C. Oldaker
General Counsel

Enclosure:

Conciliation Agreement

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin
301 West Main
Durant, Oklahoma 74701

Re: MUR 581

Dear Mr. Swearengin:

The Commission has voted to accept the conciliation agreement which you signed in connection with MUR 581. Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to your violation of the Act. A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Marsha Gentner, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

Enclosure:

Conciliation Agreement

16
10/18

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION

In the Matter of
Rector Swearengin

)
)
)

MUR 581(78)

79 AUG 13 PM 12:20

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. Rector Swearengin (hereinafter "the Respondent") has violated 2 U.S.C. § 441a(a)(1)(A).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. On September 20, 1976, the Ward for Congress Committee ("the Committee") received an \$8,000 loan from the First National Bank of Durant.
 - B. Respondent and two other individuals endorsed the \$8,000 loan to the Committee.

79040162480

C. The loan was repaid by the Committee on
October 27, 1976.

WHEREFORE, Respondent agrees:

- A. That on September 20, 1976 the Ward for Congress Committee received \$8,000 as a loan from the First National Bank of Durant.
- B. That Respondent, with two others, endorsed the \$8,000 loan.
- C. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. § 431(e)(5).
- D. According to 2 U.S.C. § 431(e)(5), the Respondent contributed \$2,666.66 to the Ward for Congress Committee by endorsing, with two others, the \$8,000 bank loan to the Committee.
- E. 2 U.S.C. § 441a(a)(1)(A) prohibits contributions by an individual in excess of \$1,000 per principal campaign committee per election.
- F. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of \$1,000 to the Ward for Congress Committee.
- G. The Respondent will pay a civil penalty in the amount of \$300.00

79049162481

H. Respondent will now and in the future comply in all respects with the Federal Election Campaign Act of 1971, as amended.

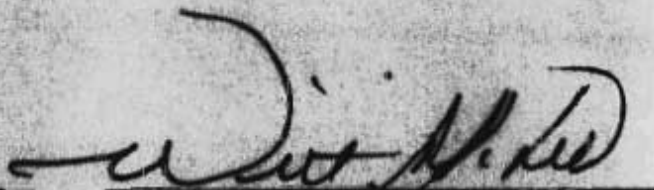
V. General Conditions

- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- C. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

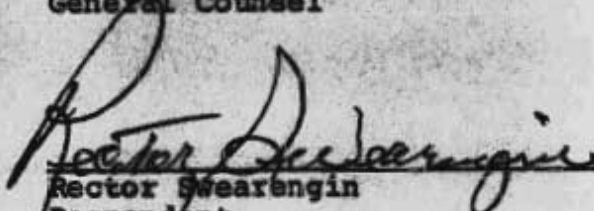
79040162482

D. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

10/19/79
Date


William C. Oldaker
General Counsel

Aug 8. 1979
Date


Rector Swearengin
Respondent

79040132483



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 18, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
2121 W. Main
Durant, Oklahoma 74701

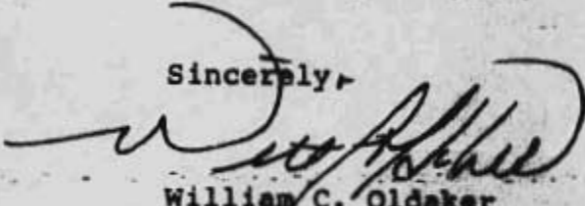
Re: MUR 581

Dear Mr. Massey:

The Commission has voted to accept the conciliation agreement which you signed in connection with MUR 581. Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to your violation of the Act. A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Marsha Gentner, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,


William C. Oldaker
General Counsel

Enclosure:

Conciliation Agreement

79040162484

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

John Massey

)
)
)

MUR 581 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. John Massey (hereinafter "the Respondent") has violated 2 U.S.C. § 441a(a)(1)(A).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. On September 20, 1976, the Ward for Congress Committee ("the Committee") received an \$8,000 loan from the First National Bank of Durant.
 - B. Respondent and two other individuals endorsed the \$8,000 loan to the Committee.

79040162485

C. The loan was repaid by the Committee on
October 27, 1976.

WHEREFORE, Respondent agrees:

- A. That on September 20, 1976 the Ward for Congress
Committee received \$8,000 as a loan from the
First National Bank of Durant.
- B. That Respondent, with two others, endorsed the
\$8,000 loan.
- C. Endorsements of a bank loan to be used to influence
the nomination for election of any person to
Federal office are to be considered contributions
by each endorser in proportion of the unpaid balance
thereof that each endorser bears to the total number
of endorsers. 2 U.S.C. § 431(e) (5).
- D. According to 2 U.S.C. § 431(e) (5), the Respondent
contributed \$2,666.66 to the Ward for Congress
Committee by endorsing, with two others, the \$8,000
bank loan to the Committee.
- E. 2 U.S.C. § 441a(a) (1) (A) prohibits contributions
by an individual in excess of \$1,000 per principal
campaign committee per election.
- F. Respondent violated 2 U.S.C. § 441a(a) (1) (A) by
contributing in excess of \$1,000 to the Ward for
Congress Committee.
- G. The Respondent will pay a civil penalty in the
amount of \$250. ⁵⁰ *all as per*
John H. Hasey

79040152486

H. Respondent will now and in the future comply in all respects with the Federal Election Campaign Act of 1971, as amended.

V. General Conditions

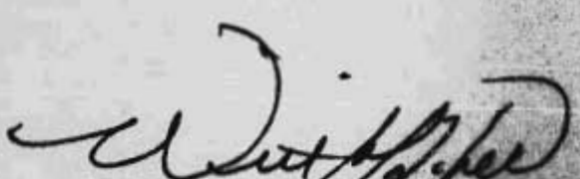
- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- C. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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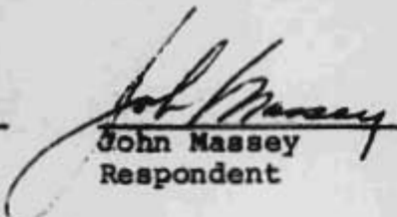
- 4 -

D. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

10/16/79
Date


William C. Oldaker
General Counsel

Oct 2, 1979
Date


John Massey
Respondent

79040162488



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 18, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Eugene Stipe
Stipe, Gossett, Stipe,
Harper & Estes
Post Office Box 53567
2915 N. Lincoln Boulevard
Oklahoma City, Oklahoma 73152

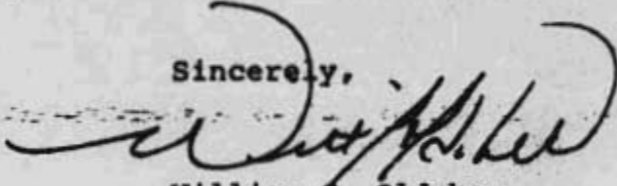
Re: MUR 581

Dear Mr. Stipe:

The Commission has voted to accept the conciliation agreement which you signed in connection with MUR 581. Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to your violation of the Act. A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Marsha Gentner, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,


William C. Oldaker
General Counsel

Enclosure:

Conciliation Agreement

cc: John B. Estes, Esquire

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Eugene Stipe
Stipe, Gossett, Stipe,
Harper & Estes
Post Office Box 53567
2915 N. Lincoln Boulevard
Oklahoma City, Oklahoma 73152

Re: MUR 581

Dear Mr. Stipe:

The Commission has voted to accept the conciliation agreement which you signed in connection with MUR 581. Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to your violation of the Act. A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Marsha Gentner, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

Enclosure:

Conciliation Agreement

cc: John B. Estes, Esquire

flb
10/18/79

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Eugene Stipe

)

)

) MUR 581 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. Eugene Stipe (hereinafter "the Respondent") has violated 2 U.S.C. § 441a(a) (1) (A).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a) (5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. On September 20, 1976, the Ward for Congress Committee ("the Committee") received an \$8,000 loan from the First National Bank of Durant.
 - B. Respondent and two other individuals endorsed the \$8,000 loan to the Committee.

79040162491

C. The loan was repaid by the Committee on
October 27, 1976.

WHEREFORE, Respondent agrees:

- 79040162492
- A. That on September 20, 1976 the Ward for Congress Committee received \$8,000 as a loan from the First National Bank of Durant.
 - B. That Respondent, with two others, endorsed the \$8,000 loan.
 - C. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. § 431(e)(5).
 - D. According to 2 U.S.C. § 431(e)(5), the Respondent contributed \$2,666.66 to the Ward for Congress Committee by endorsing, with two others, the \$8,000 bank loan to the Committee.
 - E. 2 U.S.C. § 441a(a)(1)(A) prohibits contributions by an individual in excess of \$1,000 per principal campaign committee per election.
 - F. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of \$1,000 to the Ward for Congress Committee.
 - G. The Respondent will pay a civil penalty in the amount of ~~\$250.~~ \$500.

- H. Respondent will now and in the future comply in all respects with the Federal Election Campaign Act of 1971, as amended.

V. General Conditions

- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- C. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

79040162493

D. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

10/15/79

Date

William C. Oldaker

William C. Oldaker
General Counsel

9-10-79

Date

Eugene Stipe

Eugene Stipe
Respondent

79040162494

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Rector Swearingin)
John Massey)
Eugene Stipe)

MUR 581

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on October 17, 1979, the Commission decided by a vote of 4-0 to accept the signed conciliation agreements and joint counter offers from the above-named respondents which were attached to the General Counsel's Memorandum dated October 15, 1979.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, and McGarry.

Attest:

10/17/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of the Commission Secretary: 10-15-79, 12:17
Circulated on 48 hour vote basis: 10-15-79, 4:00

October 15, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 381

Please have the attached Memo distributed to the Commission
on a 48 hour tally basis.

Thank you.

79040162496



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

9 OCT 15 12: 17

October 15, 1979

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker
General Counsel *WCO*

SUBJECT: Proposed Conciliation Agreement of Rector Swearengin, et al
MUR 581

On June 12, 1979, the Commission found probable cause to believe Rector Swearengin, Eugene Stipe, and John Massey violated 2 U.S.C. § 441a(a)(1)(A) by guaranteeing an \$8,000 loan to the Ward for Congress Committee. The respondents were notified of this finding, and have responded by sending this Office signed conciliation agreements along with a check from each respondent for \$50.

Although the civil penalty assessed to respondents by the Commission was \$250 each, the Office of General Counsel recommends that inasmuch as respondents have signed conciliation agreements admitting they violated the Federal Election Campaign Act, their joint counter offer be accepted in order to avoid the extensive costs of a lawsuit in Oklahoma, thereby conserving Commission resources.

Attachments:

Letters and Conciliation Agreements
from Respondents (3)
Copies of Checks (3)

79040162497

903593

RECEIVED
FEDERAL ELECTION
COMMISSION

888873

R. H. SWEARENGIN INSURANCE

PHONE 924-0341 301 WEST MAIN DURANT, OKLAHOMA 74701

79 AUG 13 PM 12:20

August 8, 1979

Ms. Marsha G. Gentner
Federal Election Commission
1325 K. Street, Northwest
Washington, D. C. 20463

Dear Ms. Gentner:

RE: MUR 581 (78)

I was a little embarrassed and ashamed when I received the letter of August 2nd, 1979 from Mr. William C. Oldaker concerning the personal penalty on the \$8000. note borrowed by the Ward for Congress Committee.

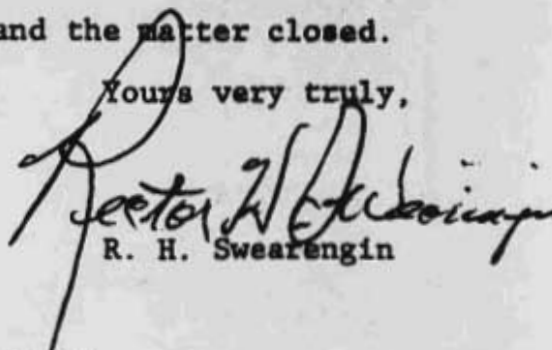
On November 20, 1978 I sent you a letter along with copy of bank statement of the Ward for Congress Committee and a statement from the Bank explaining in detail that this money was not used and the Bank understood that the money was not to be used until sufficient signatures had been obtained.

Since I heard nothing further from you I thought that this cleared this personal matter since I had paid the penalty as Treasurer of the Ward for Congress Committee.

However, in order to clear this matter, I am enclosing a cashier's check for \$50.00 and the signed conciliation Agreement for that amount.

I trust this will be approved and the matter closed.

Yours very truly,


R. H. Swearengen

RHS:DR
Encls.

79 AUG 13 PM 4:02

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

79040162498

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION

In the Matter of
Rector Swearengin

)
)
)

MUR 581(78)

'79 AUG 13 PM 12:20

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. Rector Swearengin (hereinafter "the Respondent") has violated 2 U.S.C. § 441a(a)(1)(A).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. On September 20, 1976, the Ward for Congress Committee ("the Committee") received an \$8,000 loan from the First National Bank of Durant.
 - B. Respondent and two other individuals endorsed the \$8,000 loan to the Committee.

C. The loan was repaid by the Committee on October 27, 1976.

WHEREFORE, Respondent agrees:

- A. That on September 20, 1976 the Ward for Congress Committee received \$8,000 as a loan from the First National Bank of Durant.
- B. That Respondent, with two others, endorsed the \$8,000 loan.
- C. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. § 431(e)(5).
- D. According to 2 U.S.C. § 431(e)(5), the Respondent contributed \$2,666.66 to the Ward for Congress Committee by endorsing, with two others, the \$8,000 bank loan to the Committee.
- E. 2 U.S.C. § 441a(a)(1)(A) prohibits contributions by an individual in excess of \$1,000 per principal campaign committee per election.
- F. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of \$1,000 to the Ward for Congress Committee.
- G. The Respondent will pay a civil penalty in the amount of \$500.00

- H. Respondent will now and in the future comply in all respects with the Federal Election Campaign Act of 1971, as amended.

V. General Conditions

- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- C. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

- D. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

Date

William C. Oldaker
General Counsel

Date

Rector Swearingin
Respondent

790132503



FIRST NATIONAL BANK

IN DURANT
DURANT, OKLAHOMA

149120

REMITTER

Rector Swearengin

DATE August 3, 1979

96-87
1112

PAY TO THE
ORDER OF

Federal Election Commission

\$50.00

FIRST NATIONAL
BANK 50 DOLS 00 CTS

CASHIER'S CHECK

Georgia L Smith

01112008701



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

804420

ACC#

11295

DEC 10-3-79

December 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
c/o Durant Enterprises
600 Montgomery Drive
Durant, Oklahoma 74701

Re: MUR 581 (78)

Dear Mr. Massey:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1)(A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
William C. Oldaker
General Counsel

Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

John Massey

)
)
) MUR 581 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. John Massey (hereinafter "the Respondent") has violated 2 U.S.C. § 441a(a)(1)(A).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. On September 20, 1976, the Ward for Congress Committee ("the Committee") received an \$8,000 loan from the First National Bank of Durant.
 - B. Respondent and two other individuals endorsed the \$8,000 loan to the Committee.

C. The loan was repaid by the Committee on October 27, 1976.

WHEREFORE, Respondent agrees:

- A. That on September 20, 1976 the Ward for Congress Committee received \$8,000 as a loan from the First National Bank of Durant.
- B. That Respondent, with two others, endorsed the \$8,000 loan.
- C. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. § 431(e)(5).
- D. According to 2 U.S.C. § 431(e)(5), the Respondent contributed \$2,666.66 to the Ward for Congress Committee by endorsing, with two others, the \$8,000 bank loan to the Committee.
- E. 2 U.S.C. § 441a(a)(1)(A) prohibits contributions by an individual in excess of \$1,000 per principal campaign committee per election.
- F. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of \$1,000 to the Ward for Congress Committee.
- G. The Respondent will pay a civil penalty in the amount of \$250.

H. Respondent will now and in the future comply in all respects with the Federal Election Campaign Act of 1971, as amended.

V. General Conditions

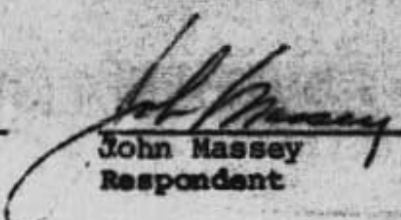
- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- C. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

D. It is agreed that the Repondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

Date

William C. Oldaker
General Counsel

Oct 2, 1979
Date


John Massey
Respondent

JOHN LEWIS MASSEY
2121 W. MAIN
DURANT, OKLA. 74701

66-7

PAY TO THE
ORDER OF

Federal Election Commission

96-88
1172



DURANT BANK
& TRUST COMPANY
DURANT, OKLAHOMA 74701

DOLLARS

⑆111200883⑆ ⑆0131987⑆

STIPE, GOSSETT, STIPE, HARPER & ESTES

P. O. BOX 23267
2215 N. LINCOLN BOULEVARD
OKLAHOMA CITY, OKLAHOMA 73122
405/234-2222

ATTORNEYS AT LAW

GENE STIPE
RICHARD L. GOSSETT
CLYDE STIPE
EDDIE HARPER
JOHN B. ESTES
ROBERT E. MCGUIRE
JAMES D. WADLEY
STEPHEN M. BUEIN
CRAIG DAWKINS
MONTE BROWN

September 12, 1979

OF COUNSEL
C. WAYNE LITCHFIELD

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, Northwest
Washington, D.C. 20463

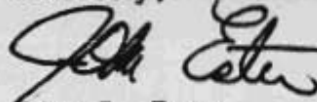
Re: In the Matter of Eugene Stipe

Dear Mr. Oldaker:

By your most recent letter, August 2, 1979, and concerning the above referenced matter, you proposed disposition by Conciliation Agreement and payment of a civil penalty. You may find enclosed a check from the referenced individual in the amount of \$50.00 plus the executed Conciliation Agreement reflecting said amount. Same is tendered to make disposition of the matter. It is our understanding that one or more of the other related individuals have made a similar tender.

May your file please reflect that this settlement is being made under protest. On behalf of Mr. Stipe, we continue to assert his complete innocence as to violation of any Federal Election laws. We have previously briefed the matter for you showing that, under Oklahoma Commercial law, Mr. Stipe's participation as a limited guarantor on the note in question did not rise to the stature of his being obligated for an amount in excess of the Federal Regulations. Further, since the funds represented by the note were never used by the primary debtor and demand was not made on said debtor and, in particular, the the alleged guarantors, there was never any legal obligation arising as to Mr. Stipe for any amount, let alone an amount in excess of the Federal Limitations. Nevertheless, Mr. Stipe has decided that it will obviously be counter-productive to string the matter out any further and has accordingly agreed to the referenced settlement.

Sincerely,


John B. Estes

JBE/am

Enclosures

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Eugene Stipe

) MUR 581 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. Eugene Stipe (hereinafter "the Respondent") has violated 2 U.S.C. § 441a(a) (1) (A).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a) (5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. On September 20, 1976, the Ward for Congress Committee ("the Committee") received an \$8,000 loan from the First National Bank of Durant.
 - B. Respondent and two other individuals endorsed the \$8,000 loan to the Committee.

C. The loan was repaid by the Committee on October 27, 1976.

WHEREFORE, Respondent agrees:

- A. That on September 20, 1976 the Ward for Congress Committee received \$8,000 as a loan from the First National Bank of Durant.
- B. That Respondent, with two others, endorsed the \$8,000 loan.
- C. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. § 431(e) (5).
- D. According to 2 U.S.C. § 431(e) (5), the Respondent contributed \$2,666.66 to the Ward for Congress Committee by endorsing, with two others, the \$8,000 bank loan to the Committee.
- E. 2 U.S.C. § 441a(a) (1) (A) prohibits contributions by an individual in excess of \$1,000 per principal campaign committee per election.
- F. Respondent violated 2 U.S.C. § 441a(a) (1) (A) by contributing in excess of \$1,000 to the Ward for Congress Committee.
- G. The Respondent will pay a civil penalty in the amount of ~~\$250.~~ ^{\$500}

- H. Respondent will now and in the future comply in all respects with the Federal Election Campaign Act of 1971, as amended.

V. General Conditions

- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- C. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

D. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

Date

William C. Oldaker
General Counsel

9-10-79
Date

Eugene Stipe
Eugene Stipe
Respondent

3 1 6 2 5 1 5

AMERICAN BANK OF COMMERCE

MEMPHIS, TENN. 38101



MR. OR MRS. GENE STIPE

BOX 5

MC ALESTER, OKLA 74501

954126

7362

Sept. 10

19

79

86-155
1031

PAY TO THE ORDER OF

Federal Election Commission

\$50.00

Fifty and no/100

DOLLARS

BY ENDORSEMENT THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNTS

--	--	--	--	--

MR. OR MRS. GENE STIPE
[Signature]

1011015501

20-0512



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
c/o Durant Enterprises
600 Montgomery Drive
Durant, Oklahoma 74701

Re: MUR 581 (78)

Dear Mr. Massey:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1)(A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
William C. Oldaker
General Counsel

Enclosure

504420

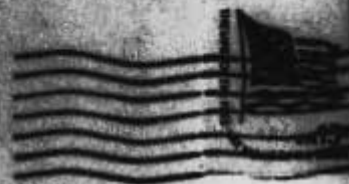
000#

11293

Dec 10-5-79

79040162516

John Massey
112 Wilson Dr.
Durant, OK 74701



Ms. Marsha G. Gantner
Federal Election Commission
1325 K. Street, Northwest
Washington, D. C. 20463

RE
OF
GENE

SEL

MAIL 561

REC# 11250

344

904342

948

79 SEP 31 P 4: 38

112 Wilson Dr.
Durant, OK 74701
September 26, 1979

Ms. Marsha G. Gentner
Federal Election Commission
1325 K. Street, Northwest
Washington, D. C. 20463

Dear Ms. Gentner,

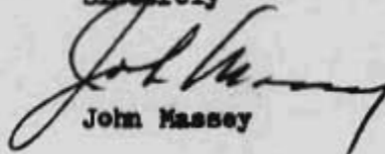
I am writing in regards to the \$8000 note borrowed by the Ward
for Congress Committee.

I thought that this matter was already taken care of. I feel
that I was acting in good faith by endorsing this note with other
good citizens.

However, to clear this matter, I am enclosing a check for
\$50.00.

Please let me know if I can be of further help.

Sincerely


John Massey

MDV:JM

79040162518

19340162519
John Massey
112 Wilson Dr.
Durant, OK 74701



Ms. Marsha G. Cantner
Federal Election Commission
1325 K. Street, Northwest
Washington, D. C. 20463

JOHN LEWIS MASSEY
2111 W. MAIN
DURANT, OKLA. 74701

4667

PAY TO THE ORDER OF *Federal Election Commission* 9-27-79 86-88
Twenty 100 1172
DOLLARS

D DURANT BANK & TRUST COMPANY
DURANT, OKLAHOMA 74701

⑆111200883⑆ ⑈0 131 987⑈

STIPE, GOSSETT, STIPE, HARPER & ESTES

P. O. BOX 23567
2815 N. LINCOLN BOULEVARD
OKLAHOMA CITY, OKLAHOMA 73152
405/754-2255

ATTORNEYS AT LAW

GENE STIPE
RICHARD L. GOSSETT
CLYDE STIPE
EDDIE HARPER
JOHN B. ESTES
ROBERT K. MCUNE
JAMES D. WADLEY
STEPHEN H. BUZIN
CRAIG DAWKINS
MONTE BROWN

September 12, 1979

OFFICE OF THE
GENERAL COUNSEL
C. WAYNE LITCHFIELD

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, Northwest
Washington, D.C. 20463

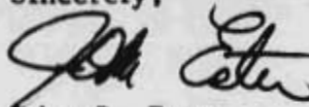
Re: In the Matter of Eugene Stipe

Dear Mr. Oldaker:

By your most recent letter, August 2, 1979, and concerning the above referenced matter, you proposed disposition by Conciliation Agreement and payment of a civil penalty. You may find enclosed a check from the referenced individual in the amount of \$50.00 plus the executed Conciliation Agreement reflecting said amount. Same is tendered to make disposition of the matter. It is our understanding that one or more of the other related individuals have made a similar tender.

May your file please reflect that this settlement is being made under protest. On behalf of Mr. Stipe, we continue to assert his complete innocence as to violation of any Federal Election laws. We have previously briefed the matter for you showing that, under Oklahoma Commercial law, Mr. Stipe's participation as a limited guarantor on the note in question did not rise to the stature of his being obligated for an amount in excess of the Federal Regulations. Further, since the funds represented by the note were never used by the primary debtor and demand was not made on said debtor and, in particular, the the alleged guarantors, there was never any legal obligation arising as to Mr. Stipe for any amount, let alone an amount in excess of the Federal Limitations. Nevertheless, Mr. Stipe has decided that it will obviously be counter-productive to string the matter out any further and has accordingly agreed to the referenced settlement.

Sincerely,


John B. Estes

JBE/am

Enclosures

222523030790

AMERICAN BANK OF COMMERCE
FIVE TO SEVEN ALBERT PARKWAY
OKLAHOMA CITY, OKLA. 73102



MR. OR MRS. GENE STIPE
BOX 5
MC ALESTER, OKLA. 74501

94126

7362

Sept 10 1979 86-155 103L

PAY
TO THE
ORDER OF

Federal Election Commission

\$50.00

Fifty and no/100

DOLLARS

BY ENDORSEMENT THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNTS

MR. OR MRS. GENE STIPE
[Signature]

⑆103101550⑆

PD 0542

Sign Envelope Sub

Harper & Sons

1000 N. Lincoln Blvd

Oklahoma City, Oklahoma 73104



STUFF, SCAFFOLD, STUFF & HENRY

P.O. BOX 1000

STUFF, SCAFFOLD, STUFF & HENRY

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, Northwest
Washington, D.C. 20463

903593

RECEIVED
FEDERAL ELECTION
COMMISSION

903593

R. H. SWEARENGIN INSURANCE

PHONE 924-9341 301 WEST MAIN DURHAM, OKLAHOMA 74701

19 AUG 13 PM 12:20

August 8, 1979

Ms. Marsha G. Gentner
Federal Election Commission
1325 K. Street, Northwest
Washington, D. C. 20463

Dear Ms. Gentner:

RE: MUR 581 (78)

I was a little embarrassed and ashamed when I received the letter of August 2nd, 1979 from Mr. William C. Oldaker concerning the personal penalty on the \$8000. note borrowed by the Ward for Congress Committee.

On November 20, 1978 I sent you a letter along with copy of bank statement of the Ward for Congress Committee and a statement from the Bank explaining in detail that this money was not used and the Bank understood that the money was not to be used until sufficient signatures had been obtained.

Since I heard nothing further from you I thought that this cleared this personal matter since I had paid the penalty as Treasurer of the Ward for Congress Committee.

However, in order to clear this matter, I am enclosing a cashier's check for \$50.00 and the signed conciliation Agreement for that amount.

I trust this will be approved and the matter closed.

Yours very truly,


R. H. Swearengen

RHS:DR
Encls.

20:44 13 AUG 1979

RECEIVED
GENERAL COUNSEL
OFFICE OF THE
ATTORNEY GENERAL
SEP 10 1979

7 9 0 1 6 2 5 2 9



FIRST NATIONAL BANK

IN DURANT

DURANT, OKLAHOMA

149120

REMITTER

Rector Swearingin

DATE August 8, 1979

86-87
1112

PAY TO THE
ORDER OF

Federal Election Commission

\$50.00

FIRST NATIONAL BANK 50 DOLS 00 CTS

CASHIER'S CHECK

Georgia L Smith

001112008700



R. H. SPARENGIN

INSURANCE

221 West Main

DURANT, OKLAHOMA, 74701



RETURN RECEIPT
02 REQUESTED



Ms. Marsha G Gentner
Federal Election Commission
1325 K. Street, Northwest
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 2, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Eugene Stipe
Post Office Box 3
McAlester, Oklahoma 74501

Dear Mr. Stipe:

This letter is to notify you that inasmuch as extensive efforts to conciliate with you and your attorney in regards to the Commission's finding of reasonable cause to believe you violated 2 U.S.C. §441a(a)(1)(A) have not succeeded, the Commission has decided to take further action against you. Accordingly, on June 12, 1979, the Commission found probable cause to believe you violated 2 U.S.C. §441a(a)(1)(A) by guaranteeing, with two others, an \$8000 loan to the Ward for Congress Committee. The General Counsel's Office has been authorized by the Commission to institute a civil action against you in the United States District Court in order to secure appropriate relief.

If you have any questions, or if you wish to contact this Office in an effort to settle this matter before such civil action is instituted, please call Marsha G. Gentner, the attorney assigned to this matter at 202-523-4073.

Sincerely,

William C. Oldaker
General Counsel

cc Mr. John B Estes, Esq.
Stipe, Gossett, Stipe, Harper & Estes
P. O. Box 53567
Oklahoma City, Okla. 73152



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

August 2, 1979

Mr. John Massey
c/o Durant Enterprise
600 Montgomery Drive
Durant, Oklahoma 74701

Dear Mr. Massey:

This letter is to notify you that inasmuch as this Office has received virtually no response from you in reference to our repeated attempts to conciliate with you as to the Commission's finding of reasonable cause to believe you violated 2 U.S.C. §441a(a)(1)(A), the Commission has decided to take further action against you. Accordingly, on June 12, 1979, the Commission found probable cause to believe you violated 2 U.S.C. §441a(a)(1)(A) by guaranteeing, with two others, an \$8000 loan to the Ward for Congress Committee. The General Counsel's Office has been authorized by the Commission to institute a civil action against you in the United States District Court in order to secure appropriate relief.

If you have any questions, or if you wish to contact this Office in an effort to settle this matter before such civil action is instituted, please call Marsha G. Gentner, the attorney assigned to this matter at 202-523-4073.

Sincerely,

A handwritten signature in dark ink, appearing to read "W.C. Oldaker".

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 2, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearingin
301 West Main Street
Durant, Oklahoma 74701

Dear Mr. Swearingin:

This letter is to notify you that inasmuch as extensive efforts to conciliate with you in regards to the Commission's finding of reasonable cause to believe you violated 2 U.S.C. §441a(a)(1)(A) have failed, the Commission has decided to take further action against you. Accordingly, on June 12, 1979, the Commission found probable cause to believe you violated 2 U.S.C. §441a(a)(1)(A) by guaranteeing, with two others, an \$8000 loan to the Ward for Congress Committee. The General Counsel's Office has been authorized by the Commission to institute a civil action against you in the United States District Court in order to secure appropriate relief.

If you have any questions, or if you wish to contact this Office in an effort to settle this matter before such civil action is instituted, please call Marsha G. Gentner, the attorney assigned to this matter at 202-523-4073.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. C. Oldaker".

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 15, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearingin
Treasurer
Ward for Congress Committee
Post Office Box 26
Durant, Oklahoma 74701

Re: MUR 581

Dear Mr. Swearingin:

The Commission has voted to accept the conciliation agreement which you signed on behalf of the Ward for Congress Committee ("the Committee") in connection with MUR 581.

Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to the Committee's violations of the Act.

A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Marsha Gentner, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

Enclosure:
Conciliation Agreement



79040162531

NO 581

PS Form 3811, Apr 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete Form 1, 2, and 3. Add your address in the "RETURN TO" box on the reverse.

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☒ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY Show to whom and date delivered.
☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery.
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Rector Swearingin
301 W. Main

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
438226

(Always obtain signature of addressee or agent.)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Fred Voel

4. DATE OF DELIVERY POSTMARK
3-12-79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CARRIER'S INITIALS
TW

79040162532

MVC 581 HQ

PS Form 3811, Rev. 1977

1. SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):

☐ Show to whom and date delivered

☐ Show to whom, date, and address of delivery

☐ RESTRICTED DELIVERY
Show to whom and date delivered

☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Rector Swearingin
Treas. Wnd. for Congress

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>100</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☒ Addressee ☐ Authorized agent

[Signature]

DATE OF DELIVERY *6-18-79* POSTMARK

4. ADDRESS: (Complete only if requested)

5. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS *[Signature]*

★ 49-4517-8-14-55

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearingin
Treasurer
Ward for Congress Committee
Post Office Box 26
Durant, Oklahoma 74701

Re: MUR 581

Dear Mr. Swearingin:

The Commission has voted to accept the conciliation agreement which you signed on behalf of the Ward for Congress Committee ("the Committee") in connection with MUR 581.

Accordingly, upon my recommendation, the Commission has closed its file on this matter inasmuch as it relates to the Committee's violations of the Act.

A copy of the signed conciliation agreement is enclosed for your records.

If you have any questions, please contact Marsha Gentner, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

Enclosure:
Conciliation Agreement

WCO
6/13/74

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ward for Congress Committee) MUR 581 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that the Ward for Congress Committee (hereinafter "the Committee" or "the Respondent") has violated 2 U.S.C. Section 432(c), 437b(a)(1), 434(b)(2)(8)(9) and (11), 434(b)(12), and 441a(f).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. Section 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. Respondent was the principal campaign committee for Charles Ward in 1976.
 - B. That "County Chair People" in ten of the

79040162534

twenty-five counties involved in the campaign carried on financial activity as part of the Respondent committee.

- C. Only four of these ten counties maintained bank accounts.
- D. That, notwithstanding every effort of the committee to insure proper bookkeeping, the records of receipts kept by ten of the county Chair Persons consisted of lists, many of which listed only the name of the contributor and the amount of the contribution.
- E. That, notwithstanding every effort of the committee to insure proper bookkeeping, the records of expenditures kept by ten of the county Chair Persons consisted of lists, some of which omitted the name of the payee and/or date of the expenditure.
- F. The Respondent had receipts of \$141,881.49 but, notwithstanding every effort to do so, reported \$134,865.41 of these receipts. The Respondent made expenditures of \$143,560.30 but notwithstanding every effort of the committee to insure proper bookkeeping, reported \$132,589.20 of these expenditures.
- G. Respondent records and reports show outstanding "debts" of \$6,926.11 for which no continuous schedules or debt settlement statements satisfactory

79040162533

to the Commission have been filed with the Commission.

- H. On September 20, 1976, the Respondent obtained an \$8,000 loan from the First National Bank of Durant, endorsed by Eugene Stipe, John Massey, and Rector Swearengin.
- I. The \$8,000 loan was repaid by Respondent on October 27, 1976, and at all times during the period September 20, 1976 - October 27, 1976 the balance in the account of Respondent exceeded \$8,000.

WHEREFORE Respondent agrees:

- A. That the County Chair Persons in ten of the twenty-five counties involved in the campaign carried on financial activity as part of the Respondent Committee.
- B. That of these counties which carried on financial activity, six did not maintain bank accounts.
- C. 2 U.S.C. Section 437b (a)(1) requires that all Committee receipts and expenditures be processed through a designated campaign depository.
- D. That Respondent, notwithstanding every effort to fully obtain and report the required information, violated, but did not willfully violate, 2 U.S.C. Section 437b (a)(1) by processing only a portion of the receipts and expenditures of six counties through designated campaign depositories.

79040162536

- E. That, notwithstanding every effort of the committee to fully comply with the Act, records of receipts and expenditures kept by ten of the County Chair Persons consisted of lists, some of which omitted information such as dates, payees, and occupations of those who contributed in excess of \$100.
- F. 2 U.S.C. Section 432(c) requires political committees to keep detailed records of contributions and expenditures, including the date of the contribution/expenditure, the amount, identification of the contributor/payee, and the occupation of anyone who contributes more than \$100 in the aggregate.
- G. The Respondent, notwithstanding every effort of the committee to obtain and fully report all information, violated, but did not willfully violate, 2 U.S.C. Section 432(c) by failing to maintain complete records of the financial activities of some of its County Chair People.
- H. That Respondent failed to report \$7,016.08 in receipts which amounts to 4.94% of the total receipts and \$10,971.10 in expenditures, some of which may have exceeded \$100 in the aggregate as to the same contributor/payee, which amounts to 7.6% of total expenditures.
- I. 2 U.S.C. Section 434(b)(8) and (11) requires political committees to report the total

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sums of all committee receipts and expenditures. 2 U.S.C. Section 434 (b) (2) and (9) requires committees to itemize all contributions by individuals aggregating in excess of \$100 within the calendar year, and to itemize all expenditures to recipients that aggregate in excess of \$100.

- J. Respondent, notwithstanding every effort of the committee to obtain and fully report all information, violated, but did not willfully violate, 2 U.S.C. Section 434(b) (8) and (11) by not reporting some receipts and expenditures, and 2 U.S.C. Section 434(b) (2) and (9) by not itemizing contributions and expenditures in excess of \$100, aggregate, with respect to the same individuals.
- K. That Respondent records and reports show outstanding "debts" of \$6,926.00 for which no continuous schedules or statements of settlements satisfactory to the Commission have been filed; although the Respondent submitted documents in an effort to show that the debts have been properly settled, these documents were unsatisfactory to the Commission.
- L. 2 U.S.C. Section 434(b) (12) requires committees to continuously report debts and obligations until those debts are extinguished, and to file statements concerning the circumstances

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involved in their extinguishment.

- M. Respondent, notwithstanding every effort to comply fully with the Act, violated, but did not willfully violate, 2 U.S.C. Section 434(b)(12) by not filing continuous statements and settlement schedules for \$6,926.11 of its debts.
- N. That Respondent received an \$8,000 loan from First National Bank of Durant endorsed by Eugene Stipe, John Massey, and Rector Swaengin. However, the Commission acknowledges that at all times during the period the loan was outstanding the balance in the bank account of the Respondent exceeded the amount of the loan and that acceptance of the loan by the Respondent was not a willful violation of the Federal Election Act of 1971, as amended.
- O. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorser.
- 2 U.S.C. Section 431 (e) (5).
- P. According to 2 U.S.C. Section 431(e) (5), Eugene Stipe, John Massey, and Rector Swaengin each contributed \$2,666.66 to the Respondent by endorsing the \$8,000 loan to Respondent.

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- Q. Contributions from an individual in excess of \$1,000 per candidate committee per election constitute violations of 2 U.S.C. Section 441a(a)(1)(A).
- R. Acceptance by a committee of contributions from individuals which are in violation of 2 U.S.C. Section 441a(a)(1)(A) place the Committee in violation of 2 U.S.C. Section 441a(f).
- S. Respondent, violated, but did not willfully violate, 2 U.S.C. Section 441a(f) by accepting excessive contributions from Eugene Stipe, John Massey, and Rector Swearingin.
- T. Respondent will file with the Commission debt settlement schedules for its \$6,926.11 in outstanding "debts", and will amend to the fullest extent possible its reports to reflect the \$7,016.08 in receipts and \$10,971.10 in expenditures that, despite every effort to do so, it has not reported.
- U. Respondent will pay a civil penalty in the amount of \$1,000.
- V. General Conditions
- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. Section 437g(a)(1), concerning the matter at issue herein, or on its own motion,

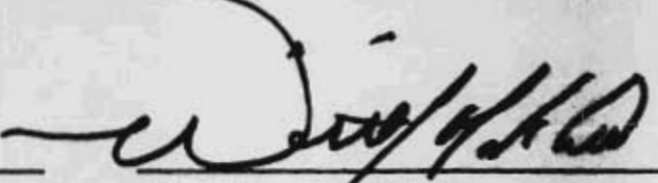
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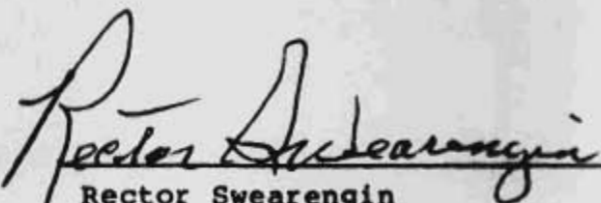
may review compliance with this agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the Eastern District of Oklahoma.

- B. This Agreement should not be construed as an admission by the Committee that it has willfully violated any provisions stated herein.
- C. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. Section 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- D. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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E. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

6/14/79 
Date William C. Oldaker
General Counsel

May 14-1979 
Date Rector Swearengin
Treasurer
Ward for Congress Committee

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ward for Congress Committee, et al.)

MUR 581

CERTIFICATION

I, Marjorie W. Emons, Secretary to the Federal Election Commission, certify that on June 12, 1979, the Commission, meeting in an executive session at which a quorum was present, determined by a vote of 5-0 to ~~adopt~~ the recommendation of the General Counsel to take the following actions in MUR 581:

1. Accept the conciliation agreement and civil penalty proposed by the Ward for Congress Committee.
2. Close the file as it pertains to violations by the Ward for Congress Committee.
3. Find PROBABLE CAUSE TO BELIEVE that Rector Swearengin, John Massey and Eugene Stipe violated 2 U.S.C. §441a(a)(1)(A) by endorsing an \$8,000 loan to the Ward for Congress Committee.
4. Authorize the General Counsel to file a lawsuit in this matter.

Commissioners Aikens, Friedersdorf, Harris, McGarry, and Tiernan voted affirmatively for the above determinations. Commissioner Thomson was not present at the time of the vote.

Attest:

6/12/79
Date

Marjorie W. Emons
Marjorie W. Emons
Secretary to the Commission

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EXECUTIVE SESSION
June 12, 1979

BEFORE THE FEDERAL ELECTION COMMISSION

June 5, 1979

In the Matter of)
Ward for Congress Committee, et al.) MUR 581

GENERAL COUNSEL'S REPORT

On December 21, 1978, the Commission found reasonable cause to believe the Ward for Congress Committee ("the Committee") violated 2 U.S.C. § 437b(a)(1) by not processing all committee financial activity through designated depositories; 2 U.S.C. § 432(c) for failing to maintain complete records of the financial activities of county Committee chairmen; 2 U.S.C. § 434(b)(2)(8)(9) and (11) by not reporting \$7,016.08 in receipts and \$10,971.10 in expenditures; 2 U.S.C. § 434(b)(12) by not continually reporting \$6,926.11 in debts and the circumstances of their extinguishment; and 2 U.S.C. § 441a(f) by accepting excessive contributions from three individuals. A conciliation agreement was sent to Mr. Rector Swearingin, Treasurer of the Committee.

The Office of General Counsel has received a signed conciliation agreement from the Committee providing for a civil penalty of \$1,000, accompanied by a check in that amount (attached). The General Counsel's Office recommends that proposed conciliation agreement and civil penalty be accepted by the Commission in settlement of this matter. The excessive contribution was the result of an \$8,000 loan that was endorsed by only three individuals. This loan was repaid by the Committee. In addition, the conciliation agreement requires the the Committee to file satisfactory debt settlement statements and to

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amend Committee reports to the extent possible in order to more accurately reflect Committee activity. The proposed conciliation agreement culminates months of negotiations in an attempt to settle this matter, and reflects substantial movement by the Committee following the rejection by the Commission of a Committee proposal for a \$300 civil penalty.

The Commission also found reasonable cause to believe on December 21, 1978, that three individuals, Rector Swearengin, Eugene Stipe, and John Massey violated 2 U.S.C. § 441a(a)(1)(A) by guaranteeing an \$8,000 loan to the Committee, thereby, in effect making a \$2,666.60 contribution each. A conciliation agreement, proposing a \$250 civil penalty was mailed to each of these respondents.

Mr. Rector Swearengin, in written correspondence and oral conversations, has stated he will not admit to nor pay a civil penalty for any violation in his individual capacity concerning his endorsement of the \$8,000 note. Mr. John Massey has not responded to this Office, though he has received all correspondence notifying him of the Commission's actions in this matter. Mr. Eugene Stipe had counsel (from his law firm) submit a legal brief well after being notified that the Commission could institute a civil suit should the conciliation process fail to produce a settlement. A letter containing a legal response was sent to Mr. Stipe's counsel. This letter informed Mr. Stipe's counsel that this Office would not recommend the Commission reconsider its finding against Mr. Stipe, and again specifying that if no effort to continue conciliation was made or no response from Mr. Stipe or his counsel was received the Commission

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could, upon a finding of probable cause to believe a violation occurred, institute civil suit. (A copy of Mr. Stipe's brief and our response is attached.) Neither Mr. Stipe nor his counsel have responded to this letter, and an associate of Mr. Stipe's firm told a staff member in a telephone conversation that Mr. Stipe would no longer discuss the matter with us.

Mr. Swearengin and Mr. Massey have also received a letter from this Office encouraging conciliation and notifying them that the Commission could find probable cause to believe a violation had occurred, and institute a civil action if conciliation efforts were not started or resumed. No response to these letters was submitted.

As several attempts at conciliation initiated by this Office have failed, the General Counsel's Office recommends that the Commission find probable cause to believe that Rector Swearengin, John Massey, and Eugene Stipe violated 2 U.S.C. § 441a(a)(1)(A), and that suit naming these three individuals as defendants be filed on behalf of the Commission.

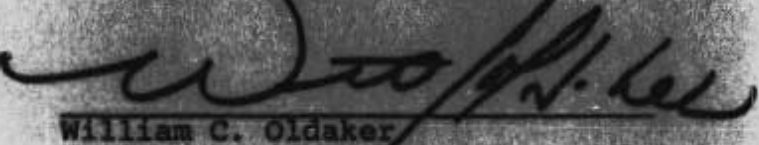
RECOMMENDATIONS:

1. Accept the conciliation agreement and civil penalty proposed by the Ward for Congress Committee.
2. Close the file as it pertains to violations by the Ward for Congress Committee.
3. Find probable cause to believe Rector Swearengin, John Massey and Eugene Stipe violated 2 U.S.C. § 441a(a)(1)(A) by endorsing an \$8,000 loan to the Ward for Congress Committee.

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4. Authorize the General Counsel to file a lawsuit.

6/8/79
Date


William C. Oldaker
General Counsel

Attachments

- Proposed conciliation agreement
- Copy of check for civil penalty
- Mr. Stipe's brief and our response

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ward for Congress Committee) MUR 581 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that the Ward for Congress Committee (hereinafter "the Committee" or "the Respondent") has violated 2 U.S.C. Section 432(c), 437b(a)(1), 434(b)(2)(8)(9) and (11), 434(b)(12), and 441a(f).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. Section 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. Respondent was the principal campaign committee for Charles Ward in 1976.
 - B. That "County Chair People" in ten of the

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twenty-five counties involved in the campaign carried on financial activity as part of the Respondent committee.

- C. Only four of these ten counties maintained bank accounts.
- D. That, notwithstanding every effort of the committee to insure proper bookkeeping, the records of receipts kept by ten of the county Chair Persons consisted of lists, many of which listed only the name of the contributor and the amount of the contribution.
- E. That, notwithstanding every effort of the committee to insure proper bookkeeping, the records of expenditures kept by ten of the county Chair Persons consisted of lists, some of which omitted the name of the payee and/or date of the expenditure.
- F. The Respondent had receipts of \$141,881.49 but, notwithstanding every effort to do so, reported \$134,865.41 of these receipts. The Respondent made expenditures of \$143,560.30 but notwithstanding every effort of the committee to insure proper bookkeeping, reported \$132,589.20 of these expenditures.
- G. Respondent records and reports show outstanding "debts" of \$6,926.11 for which no continuous schedules or debt settlement statements satisfactory

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to the Commission have been filed with the Commission.

- H. On September 20, 1976, the Respondent obtained an \$8,000 loan from the First National Bank of Durant, endorsed by Eugene Stipe, John Massey, and Rector Swearingin.
- I. The \$8,000 loan was repaid by Respondent on October 27, 1976, and at all times during the period September 20, 1976 - October 27, 1976 the balance in the account of Respondent exceeded \$8,000.

WHEREFORE Respondent agrees:

- A. That the County Chair Persons in ten of the twenty-five counties involved in the campaign carried on financial activity as part of the Respondent Committee.
- B. That of these counties which carried on financial activity, six did not maintain bank accounts.
- C. 2 U.S.C. Section 437b (a) (1) requires that all Committee receipts and expenditures be processed through a designated campaign depository.
- D. That Respondent, notwithstanding every effort to fully obtain and report the required information, violated, but did not willfully violate, 2 U.S.C. Section 437b (a) (1) by processing only a portion of the receipts and expenditures of six counties through designated campaign depositories.

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- E. That, notwithstanding every effort of the committee to fully comply with the Act, records of receipts and expenditures kept by ten of the County Chair Persons consisted of lists, some of which omitted information such as dates, payees, and occupations of those who contributed in excess of \$100.
- F. 2 U.S.C. Section 432(c) requires political committees to keep detailed records of contributions and expenditures, including the date of the contribution/expenditure, the amount, identification of the contributor/payee, and the occupation of anyone who contributes more than \$100 in the aggregate.
- G. The Respondent, notwithstanding every effort of the committee to obtain and fully report all information, violated, but did not willfully violate, 2 U.S.C. Section 432(c) by failing to maintain complete records of the financial activities of some of its County Chair People.
- H. That Respondent failed to report \$7,016.08 in receipts which amounts to 4.94% of the total receipts and \$10,971.10 in expenditures, some of which may have exceeded \$100 in the aggregate as to the same contributor/payee, which amounts to 7.6% of total expenditures.
- I. 2 U.S.C. Section 434(b) (8) and (11) requires political committees to report the total

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sums of all committee receipts and expenditures. 2 U.S.C. Section 434 (b) (2) and (9) requires committees to itemize all contributions by individuals aggregating in excess of \$100 within the calendar year, and to itemize all expenditures to recipients that aggregate in excess of \$100.

- J. Respondent, notwithstanding every effort of the committee to obtain and fully report all information, violated, but did not willfully violate, 2 U.S.C. Section 434(b) (8) and (11) by not reporting some receipts and expenditures, and 2 U.S.C. Section 434(b) (2) and (9) by not itemizing contributions and expenditures in excess of \$100, aggregate, with respect to the same individuals.
- K. That Respondent records and reports show outstanding "debts" of \$6,926.00 for which no continuous schedules or statements of settlements satisfactory to the Commission have been filed; although the Respondent submitted documents in an effort to show that the debts have been properly settled, these documents were unsatisfactory to the Commission.
- L. 2 U.S.C. Section 434(b) (12) requires committees to continuously report debts and obligations until those debts are extinguished, and to file statements concerning the circumstances

involved in their extinguishment.

- M. Respondent, notwithstanding every effort to comply fully with the Act, violated, but did not willfully violate, 2 U.S.C. Section 434(b) (12) by not filing continuous statements and settlement schedules for \$6,926.11 of its debts.
- N. That Respondent received an \$8,000 loan from First National Bank of Durant endorsed by Eugene Stipe, John Massey, and Rector Swearengin. However, the Commission acknowledges that at all times during the period the loan was outstanding the balance in the bank account of the Respondent exceeded the amount of the loan and that acceptance of the loan by the Respondent was not a willful violation of the Federal Election Act of 1971, as amended.
- O. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. Section 431 (e) (5).
- P. According to 2 U.S.C. Section 431(e) (5), Eugene Stipe, John Massey, and Rector Swearengin each contributed \$2,666.66 to the Respondent by endorsing the \$8,000 loan to Respondent.

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- Q. Contributions from an individual in excess of \$1,000 per candidate committee per election constitute violations of 2 U.S.C. Section 441a(a)(1)(A).
- R. Acceptance by a committee of contributions from individuals which are in violation of 2 U.S.C. Section 441a(a)(1)(A) place the Committee in violation of 2 U.S.C. Section 441a(f).
- S. Respondent, violated, but did not willfully violate, 2 U.S.C. Section 441a(f) by accepting excessive contributions from Eugene Stipe, John Massey, and Rector Swearengin.
- T. Respondent will file with the Commission debt settlement schedules for its \$6,926.11 in outstanding "debts", and will amend to the fullest extent possible its reports to reflect the \$7,016.08 in receipts and \$10,971.10 in expenditures that, despite every effort to do so, it has not reported.
- U. Respondent will pay a civil penalty in the amount of \$1,000.
- V. General Conditions
- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. Section 437g(a)(1), concerning the matter at issue herein, or on its own motion,

may review compliance with this agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the Eastern District of Oklahoma.

- B. This Agreement should not be construed as an admission by the Committee that it has willfully violated any provisions stated herein.
- C. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. Section 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- D. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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E. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

Date

William C. Oldaker
General Counsel

Date

May 14 - 1979

Rector Swarengin
Treasurer
Ward for Congress Committee

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FIRST NATIONAL BANK

IN DURANT
DURANT, OKLAHOMA

146484

REMITTER

Rector Swearengin

DATE May 14, 1979

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PAY TO THE ORDER OF Federal Election Commission

\$1,000.00

FIRST NATIONAL BANK OF OKLAHOMA
1000.00 DOLLARS

CASHIER'S CHECK

Georgio L. Smith

⑆111200870⑆

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF
EUGENE STIPE

}

MUR-581-(78)

BRIEF IN SUPPORT OF RESPONDENT'S DENIAL
OF VIOLATION OF 2 USC 441A(a)(1)(A)

COMES NOW the Respondent, Gene Stipe, and for his answer to the findings of the Federal Election Commission that reasonable cause exists that the Respondent violated 2 U.S.C. §441 A(a)(1)(A), denies any and all violations. In support of this denial the Respondent submits the following facts and authority.

STATEMENT OF FACTS

Respondent, Gene Stipe, along with two other individuals, endorsed a blank note. It was expressly understood by all of the parties that the Note was only to take effect upon the performance of a certain condition; that condition being the endorsement of at least ten (10) parties. Prior to the fulfillment of the aforementioned condition, the Note was materially altered and a loan was made to the Ward for

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Congress Committee. Respondent at no time authorized any change in the condition precedent or completion of the blank Note, and without such authorization, the bank legally made a loan binding only itself and the Ward for Congress Committee. At the time that the loan was given, the Note was null and void as to the Respondent.

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PROPOSITION I:

RESPONDENT, GENE STIPE, WAS DISCHARGED AS A PARTY.

Respondent, Gene Stipe, submits that he had no obligation as to the Note, having been discharged as a party.

§3-407(1) of the Uniform Commercial Code states:

"Any alteration of an instrument is material which changes the contract of any party thereto in any respect, including any such change in

- (a) the number or relations of the parties; or
- (b) an incomplete instrument, by completing it otherwise than as authorized; or
- (c) The writing as signed, by adding to it or by removing any part of it."

Clearly, the bank by acting without any authorization by the Respondent, materially altered the Note. The Note was obviously an incomplete instrument, being blank, and the bank completed it without authorization. By the act of completing the blank Note, the bank did, in fact, materially alter the Note as defined by the Uniform Commercial Code. Section 3-601 of the Uniform Commercial Code states that an alteration as defined by Section 3-407 discharges any party from any liability on an instrument. As such, it is clear that the bank's loan was binding only upon the bank and the

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Committee, as the other parties were discharged by the material alteration of the Note. Respondent, having been fully discharged as a party to the original blank Note, was simply not involved in or affected by the subsequent loan to the Ward for Congress Committee. Thus, making any violation of 2 U.S.C. §441 A(a)(1)(A) by the Respondent an impossibility.

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PROPOSITION II:

RESPONDENT, GENE STIPE, INCURRED NO LIABILITY ON
THE NOTE AS IT NEVER BECAME OPERATIVE.

Respondent, Gene Stipe, further submits that uniform and consistent authority, other than the Uniform Commercial Code, sustain the proposition that the blank Note subject to the condition precedent never became operative.

In Harlow Pub. Co. v. Walden, 32 P.2d 278 (Okla. 1934), the Supreme Court of Oklahoma issued the following per justice Welch:

"In Tovera v. Parker, et al., 35 Okla. 71, 128 P. 101, this court held: 'A promissory note may be delivered by the maker to the payee upon condition, or as an escrow.'

Therein the court quoted with approval from Farmers' Bank of Roff v. Nichols, 25 Okla. 547, 106 P.834, 138 Am. St. Rep. 931, 21 Ann. Cas. 1160, as follows: 'The authorities hold that where the maker of a note delivers it to the payee with the agreement that it shall not take effect until the happening of a certain contingency or the performance of a certain condition, and where neither the contingency has occurred nor the condition been performed, the note never becomes operative; and an action thereon by the payee or his assignee with notice cannot be maintained.'

Other quotations to the same effect are therein employed, and the case is replete with citations of authorities supporting the rule. To the same effect is Horton v. Birdsong, 35 Okla. 275, 129 P.701, L.R.A. 1916B, 1048."

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The Supreme Court of Oklahoma addressed the issue again in, Hogue et. al. v. McClain County National Bank, et al. 47 P.2d 575 (Okla. 1935). The per curiam opinion held at page 578:

"It is equally well settled that a note may be delivered to take effect only upon the happening of a future contingency and that until such contingency happens no valid obligation is created. Tovera v. Parker, 35 Okl. 74, 128 P. 101; Gamble v. Riley, 39 Okl. 363, 135 P. 390; Yeager v. Jackson, 162 Okl. 207, 19 P.(2d) 970, 971, and cases there cited.

The general rule allowing for the unenforceability of Notes such as that endorsed by the Respondent was reaffirmed in, Buellesfeld v. Carpenter, et. al., 129 P.2d 1022 (Okla. 1942) (hereinafter Buellesfeld). Justice Bayless at page 1023 wrote:

"In 7 Am. Jur. 811, §41, this rule is dealt with as applied to the delivery of the note to the payee. It is said: 'The provisions of the Uniform Negotiable Instruments Act referred to in the preceding section settles the question whether a conditional or contingent delivery may be made to the payee. On general principles, even before the adoption of the Uniform Act, the great weight of authority has sustained the right of the maker of a promissory note or other negotiable instrument to deliver it to the payee or other obligee upon the condition that it shall not become a binding obligation except upon the happening of a certain event * * * until the condition is met, the instrument is unenforceable.' (Emphasis added.)

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The most recent discussion of the issue appeared in Bredow v. Jones, 431 P.2d 413 (Okla. 1966), wherein Justice Hodges, citing Farmers' Bank of Roff v. Nichols, 106 P. 834 (Okla. 1910) (hereinafter Farmers), wrote:

"The authorities hold that where the maker of a Note delivers it to the payee with the agreement that it shall not take effect until the happening of a certain contingency or the performance of a certain condition, and where neither the contingency has occurred nor the condition been performed, the note never becomes operative, and an action thereon by the payee or his assignee with notice cannot be maintained." (At p. 417).

Clearly, and unequivocally, the above cited authority shows that Notes which are subject to conditions precedent never become operative and binding upon the parties if the conditions precedent are not met. Respondent, Gene Stipe, thus, at no time was bound by the Note. Had the loan remained unpaid, it is undisputed that the Bank could not have maintained any action against the Respondent, as the subsequent loan was a separate and distinct transaction with which the Respondent was not connected. This, of course, irrebuttably sustains the contention of the Respondent that he in no manner violated the Federal Election Laws by exceeding the One Thousand Dollar (\$1,000.00) individual campaign contribution limit.

PROPOSITION III:

PAROL EVIDENCE CAN ESTABLISH
THE EXISTENCE OF THE CONDITION PRECEDENT.

Respondent, Gene Stipe, submits that evidence establishing the nonfulfillment of the conditions precedent is admissible to show the facts that: (1) Respondent was dismissed as a party to the original blank Note; (2) Said Note never became operative. The fact that the Respondent endorsed a blank Note which was not to be filled in or altered prior to the fulfillment of the condition calling for at least ten (10) endorsers is known to all of the original parties to the Note. The condition precedent can be shown through parol evidence by the Respondent, according to the clear weight of authority. In Harlow Pub. Co. v. Walden, supra, Justice Welch, citing Colonial Jewelry Company v. Brown, 131 P. 1077 (Okla. 1913), wrote:

Evidence offered for the purpose of showing that a written instrument was delivered conditionally does not constitute contradicting or varying a written instrument by parol. Such evidence does not tend to show any modification or alteration of the written agreement, but that it never became operative, and that its obligation never commenced." (at p. 280). (Emphasis added.)

In, Hogue et al. v. McClain County National Bank, et al., supra, the per curiam opinion held at page 578:

"In Yeager v. Jackson, 19 P.2d 1933 in , an opinion by Justice Welch, this court said in the syllabus: 'Parol evidence is not admissible to vary the terms of a written contract, but

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parol evidence may be introduced to prove a separate parol agreement constituting a condition precedent to the taking effect of the written contract.'

In the body of the opinion the court quoted approvingly from Gamble v. Riley, supra, as follows: 'It is elementary that parol evidence is inadmissible to contradict or vary the terms of a valid written instrument. But the rule is almost equally well settled that parol evidence may be given to prove the existence of any separate parol agreement constituting a condition precedent to the attaching of any obligation under the written instrument; this is not to vary the terms of a written instrument, but to prove that no contract was ever made; that its obligation never commenced.'

Following this quotation, the court cited a number of cases to the same effect, and remarked: 'We find no authority to the contrary, and none is cited.'

Both the previously mentioned cases of Bredow v. Jones, supra, and Buellesfeld, supra, respectively citing the above mentioned Harlow case and AmJur 810 §40, hold in the identical manner as to the admissibility of parol evidence to show that a Note never became operative.

CONCLUSION

Respondent, Gene Stipe, never authorized the bank to complete the blank Note, as such was not to be done prior to the fulfillment of a condition precedent. The bank, by

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materially altering the Note and issuing the loan to the Campaign Committee, discharged the Respondent as a party. The clear authority presented further shows that the Note never became operative and binding upon its original parties as the condition precedent was not met. As a consequence, the law is quite clear that the only parties involved in the loan transaction were the bank and the Committee.

The Respondent, Gene Stipe, fully cognizant of both his discharge as a party, and the fact that the Note never became operative denies any violation of 2 U.S.C. §441 A(a)(1)(A).

STIPE, GOSSETT, STIPE, HARPER & ESTES
P. O. Box 53567
Oklahoma City, Oklahoma 73152
(405) 524-2268

By:

John B. Estes
Gene Stipe & John B. Estes



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20461

April 23, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John B. Estes
Stipe, Gossett, Stipe, Harper & Estes
Post Office Box 53567
Oklahoma City, Oklahoma 73152

Re: MUR 581

Dear Mr. Estes:

The Office of General Counsel has received your letter of March 14, 1979, with a brief enclosed, in reference to the Commission's finding of reasonable cause to believe that Mr. Eugene Stipe violated 2 U.S.C. § 441a(a)(1)(A) by guaranteeing with two other individuals an \$8,000 bank loan to the Ward for Congress Committee ("the Committee"). Mr. Stipe was given an opportunity to demonstrate why no further action should be taken against him after the Commission found reason to believe a violation had occurred, but waited until after the Commission found reasonable cause to believe Mr. Stipe violated 2 U.S.C. § 441a(a)(1)(A) and the conciliation process had begun before taking action to demonstrate to the Commission that no such violation had occurred. Although, procedurally, evidence submitted during this conciliation period is generally considered as a mitigating factor only, your brief on behalf of Mr. Stipe has raised certain legal issues which will be addressed at this time.

You contend that the \$8,000 note endorsed by Mr. Stipe and two others was blank, and that under various provisions of the Uniform Commercial Code (UCC) the completion of the note was a material alteration, thus discharging Mr. Stipe from any liability on the note. On April 4, 1979, Mr. Lee of your office informed a staff attorney of the Office of General Counsel that your reference to a "blank note" meant a standard note form signed by Mr. Stipe and two others, with the amount and date left blank. UCC 3-115 provides that an incomplete instrument can be enforced when completed,



and if it is in accordance with the authority given, is effective as completed. 1/ 3-115(1). UCC 3-115(2) places the burden of establishing that a completion was unauthorized on the party making that assertion; however, the only action that you allege was taken contra to Mr. Stipe's authorization was negotiation of the note with less than 10 guarantors, an action which cannot be characterized as "filling in a blank."

Nor does the factual situation you describe give rise to the conclusion that the note endorsed by Mr. Stipe was materially altered. Under UCC 3-407 an alteration of a note is material if it changes the contract of any party thereto. Comment (1) to UCC 3-407 explains that specific mention is made in the article of a change in the number of parties in order to make it clear that such a change is "material" only if it changes the contract of one who has signed. Since under UCC 3-118(e) two or more persons who sign a note as guarantors are jointly and severally liable on the note, the omission of additional sureties would not change the contract of another guarantor who has already signed the note, and, therefore, it would not constitute a material alteration.

Furthermore, material alteration of an instrument does not discharge any party unless it was made by the holder for a fraudulent purpose. UCC 3-407(2). No facts have been presented in your brief to sustain the position that the note was altered, although your position would only be tenable if in fact the First National Bank of Durant fraudulently altered the note. 2/ Mr. Stipe signed a blank note with two other signatures and gave it to the bank instead of expressly limiting his liability on the face of a completed note. Such action could, in fact, operate to prevent any right to be discharged from the note that Mr. Stipe would have. See UCC 3-406 and comments thereto.

1. If the completion is not as authorized, UCC 3-407 concerning an alteration of a note, controls.
2. In your brief you allege directly that the First National Bank of Durant materially altered the note, and indirectly allege that such alteration was fraudulent. Such allegations are serious, and if proven implicate the bank in violations of several federal laws, not the least of which would be a violation of section 441b of the Federal Election Campaign Act of 1971, as amended.

You have made no showing that the blank note was not completed as authorized, nor have you substantiated the serious allegation that the bank materially and fraudulently altered the note. You have shown nothing more than a note executed possibly subject to another oral agreement. While UCC 3-119 provides that a negotiable instrument may be modified or affected by another agreement executed as part of the same transaction, that article requires that such an agreement be in writing to have any effect on the obligation of the parties to the instrument. Many of the parties involved in this transaction, including Mr. Stipe and most recently Mr. Lee, have stated that no such writing ever existed.

You have also contended, alternatively, that the note in question never became legally effective, as there existed a prior oral agreement that the note would not become effective unless ten people signed as guarantors. Cases are cited to support the general rule that the restrictions against parol evidence do not apply to oral evidence of a condition precedent to the effectiveness of a final, integrated contract. However, the exception to this general rule, that an oral condition precedent to the effectiveness of a contract cannot be relied upon if it varies or contradicts the terms of the written contract, Shaw v. Hutton, 183 P. 477 (Okla. 1919), applies in this situation. The unconditional guaranty of payment made by Mr. Stipe when he signed the note precludes any reference to parol evidence to contradict the terms of the note by showing that the guaranty was, in fact, conditional. See, Shaw v. Hutton, supra, at 478.

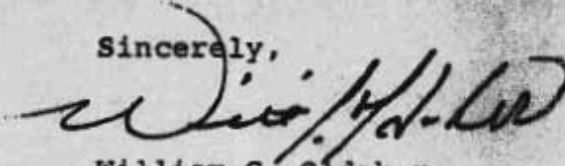
In any case, Oklahoma law prohibits resort to parol evidence in order to establish that a guaranty was made conditionally. 15 O.S. 1951 §331 provides that a guaranty is deemed unconditional unless its terms import some condition precedent to the liability of the guarantor. See also, Rucker v. Republic Supply Co., 415 P.2d 951 (1966). The condition you assert was admittedly made orally and was not part of the terms of the note Mr. Stipe signed.

In light of the above, we find no basis for a recommendation to the Commission to reconsider its finding of reasonable cause to believe Mr. Stipe violated 2 U.S.C. § 441a(a)(1)(A) due to his liability on the note. Hopefully,

conciliation efforts will be continued in this matter, as it appeared Mr. Stipe and my staff had made some progress in this regard with their discussion of alternatives to the conciliation agreement proposed by the Commission and this Office. If, however, neither Mr. Stipe nor his counsel contacts this Office within ten days of receipt of this letter, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit.

If you have any questions concerning the above information, or any other matter, please contact Marsha Gentner at (202) 523-4073.

Sincerely,



William C. Oldaker
General Counsel

79040162571

FORM 3811, Apr 1977

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

MAR 521 GENTNER

● SENDER Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse

1. The following service is requested (check one).
☐ Show to whom and date delivered c
☐ Show to whom, date, and address of delivery c
☒ RESTRICTED DELIVERY
Show to whom and date delivered c
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery. \$
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
John B. Estes

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
949457
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
4. DATE OF DELIVERY
5. ADDRESS (Complete only if requested)
6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

POSTMARK

2025-1977-0-249-580

79040162572



FIRST NATIONAL BANK
DURANT, OKLAHOMA

146484

REMITTER

Rector Swearingin

DATE May 14, 1979

86-87
1112

PAY TO THE ORDER OF Federal Election Commission

\$1,000.00

FIRST NATIONAL BANK  I 0000 DOLS 00 CTS

CASHIER'S CHECK

Georgia L Smith

011112008701

involved in their extinguishment.

N. Respondent, notwithstanding every effort to comply fully with the Act, violated, but did not willfully violate, 2 U.S.C. Section 434(b) (12) by not filing continuous statements and settlement schedules for \$6,926.11 of its debts.

N. That Respondent received an \$8,000 loan from First National Bank of Durant endorsed by Eugene Stipe, John Massey, and Rector Swearengin. However, the Commission acknowledges that at all times during the period the loan was outstanding the balance in the bank account of the Respondent exceeded the amount of the loan and that acceptance of the loan by the Respondent was not a willful violation of the Federal Election Act of 1971, as amended.

O. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers.

P. According to 2 U.S.C. Section 431(e) (5), Eugene Stipe, John Massey, and Rector Swearengin each contributed \$2,666.66 to the Respondent by endorsing the \$8,000 loan to Respondent.

79040162573

to the Commission have been filed with the Commission.

- H. On September 28, 1976, the Respondent obtained an \$8,000 loan from the First National Bank of Durant, endorsed by Eugene Stipe, John Massey, and Rector Swearingin.
- I. The \$8,000 loan was repaid by Respondent on October 27, 1976, and at all times during the period September 20, 1976 - October 27, 1976 the balance in the account of Respondent exceeded \$8,000.

WHEREFORE Respondent agrees:

- A. That the County Chair Persons in ten of the twenty-five counties involved in the campaign carried on financial activity as part of the Respondent Committee.
- B. That of these counties which carried on financial activity, six did not maintain bank accounts.
- C. 2 U.S.C. Section 437(a) (1) requires that all Committee receipts and expenditures be processed through a designated campaign depository.
- D. That Respondent, notwithstanding every effort to fully obtain and report the required information, violated, but did not willfully violate, 2 U.S.C. Section 437(a) (1) by processing only a portion of the receipts and expenditures of six counties through designated campaign depositories.

79040162574



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO

CHARLES STEELE

FROM:

MARJORIE W. EMMONS

more by pc

DATE:

MAY 4, 1979

SUBJECT:

MUR 581 - Interim Conciliation Report
dated 5-2-79; Received in OCS 4-2-79,
3:22

The above-named document was circulated on a 24
hour no-objection basis at 10:00, May 3, 1979.

The Commission Secretary's Office has received
no objections to the Interim Conciliaiton Report as of
11:00 this date.

79040162575

May 2, 1979

MEMORANDUM TO: Marge Emons
FROM: Elissa T. Garr
SUBJECT: MUR 581

Please have the attached Interim Council Report
on MUR 581 distributed to the Commission.

Thank you.

79040162576

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ward for Congress Committee) NUR 581

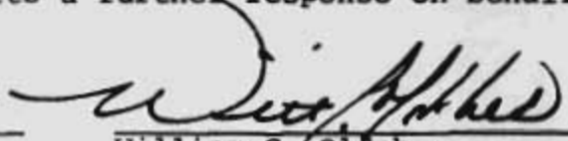
INTERIM CONCILIATION REPORT

On December 21, 1978, the Commission found reasonable cause to believe the Ward for Congress Committee ("the Committee") violated 2 U.S.C. §§ 437b(a)(1); 432(c) and 434(b)(2)(8)(9) and (11), 434(b)(12), and 441a(f), and reasonable cause to believe John Massey, Eugene Stipe, and Rector Swearengin violated 2 U.S.C. § 441a(a)(1)(A). Conciliation agreements were sent to these four respondents.

A representative of the Committee treasurer, Rector Swearengin, recently met with staff members and informed this Office that a counter proposal would probably be sent by Mr. Swearengin within two weeks.

An attorney recently submitted a legal brief on behalf of Mr. Stipe and Mr. Massey. A reply addressing the legal issues presented in the brief was sent to the attorney along with notice that if no other response was received within 10 days of receipt of the letter, the Commission could take further action in this matter. Mr. Swearengin will respond to his violation in his individual capacity at the same time he submits a further response on behalf of the Committee.

5/2/79


William C. Oldaker
General Counsel

79040162577



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

April 23, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John B. Estes
Stipe, Gossett, Stipe, Harper & Estes
Post Office Box 53567
Oklahoma City, Oklahoma 73152

Re: MUR 581

Dear Mr. Estes:

The Office of General Counsel has received your letter of March 14, 1979, with a brief enclosed, in reference to the Commission's finding of reasonable cause to believe that Mr. Eugene Stipe violated 2 U.S.C. § 441a(a)(1)(A) by guaranteeing with two other individuals an \$8,000 bank loan to the Ward for Congress Committee ("the Committee"). Mr. Stipe was given an opportunity to demonstrate why no further action should be taken against him after the Commission found reason to believe a violation had occurred, but waited until after the Commission found reasonable cause to believe Mr. Stipe violated 2 U.S.C. § 441a(a)(1)(A) and the conciliation process had begun before taking action to demonstrate to the Commission that no such violation had occurred. Although, procedurally, evidence submitted during this conciliation period is generally considered as a mitigating factor only, your brief on behalf of Mr. Stipe has raised certain legal issues which will be addressed at this time.

You contend that the \$8,000 note endorsed by Mr. Stipe and two others was blank, and that under various provisions of the Uniform Commercial Code (UCC) the completion of the note was a material alteration, thus discharging Mr. Stipe from any liability on the note. On April 4, 1979, Mr. Lee of your office informed a staff attorney of the Office of General Counsel that your reference to a "blank note" meant a standard note form signed by Mr. Stipe and two others, with the amount and date left blank. UCC 3-115 provides that an incomplete instrument can be enforced when completed,



and if it is in accordance with the authority given, is effective as completed. 1/ 3-115(1). UCC 3-115(2) places the burden of establishing that a completion was unauthorized on the party making that assertion; however, the only action that you allege was taken contra to Mr. Stipe's authorization was negotiation of the note with less than 10 guarantors, an action which cannot be characterized as "filling in a blank."

Nor does the factual situation you describe give rise to the conclusion that the note endorsed by Mr. Stipe was materially altered. Under UCC 3-407 an alteration of a note is material if it changes the contract of any party thereto. Comment (1) to UCC 3-407 explains that specific mention is made in the article of a change in the number of parties in order to make it clear that such a change is "material" only if it changes the contract of one who has signed. Since under UCC 3-118(e) two or more persons who sign a note as guarantors are jointly and severally liable on the note, the omission of additional sureties would not change the contract of another guarantor who has already signed the note, and, therefore, it would not constitute a material alteration.

Furthermore, material alteration of an instrument does not discharge any party unless it was made by the holder for a fraudulent purpose. UCC 3-407(2). No facts have been presented in your brief to sustain the position that the note was altered, although your position would only be tenable if in fact the First National Bank of Durant fraudulently altered the note. 2/ Mr. Stipe signed a blank note with two other signatures and gave it to the bank instead of expressly limiting his liability on the face of a completed note. Such action could, in fact, operate to prevent any right to be discharged from the note that Mr. Stipe would have. See UCC 3-406 and comments thereto.

1. If the completion is not as authorized, UCC 3-407 concerning an alteration of a note, controls.
2. In your brief you allege directly that the First National Bank of Durant materially altered the note, and indirectly allege that such alteration was fraudulent. Such allegations are serious, and if proven implicate the bank in violations of several federal laws, not the least of which would be a violation of section 441b of the Federal Election Campaign Act of 1971, as amended.

You have made no showing that the blank note was not completed as authorized, nor have you substantiated the serious allegation that the bank materially and fraudulently altered the note. You have shown nothing more than a note executed possibly subject to another oral agreement. While UCC 3-119 provides that a negotiable instrument may be modified or affected by another agreement executed as part of the same transaction, that article requires that such an agreement be in writing to have any effect on the obligation of the parties to the instrument. Many of the parties involved in this transaction, including Mr. Stipe and most recently Mr. Lee, have stated that no such writing ever existed.

You have also contended, alternatively, that the note in question never became legally effective, as there existed a prior oral agreement that the note would not become effective unless ten people signed as guarantors. Cases are cited to support the general rule that the restrictions against parol evidence do not apply to oral evidence of a condition precedent to the effectiveness of a final, integrated contract. However, the exception to this general rule, that an oral condition precedent to the effectiveness of a contract cannot be relied upon if it varies or contradicts the terms of the written contract, Shaw v. Hutton, 183 P. 477 (Okla. 1919), applies in this situation. The unconditional guaranty of payment made by Mr. Stipe when he signed the note precludes any reference to parol evidence to contradict the terms of the note by showing that the guaranty was, in fact, conditional. See, Shaw v. Hutton, supra, at 478.

In any case, Oklahoma law prohibits resort to parol evidence in order to establish that a guaranty was made conditionally. 15 O.S. 1951 §331 provides that a guaranty is deemed unconditional unless its terms import some condition precedent to the liability of the guarantor. See also, Rucker v. Republic Supply Co., 415 P.2d 951 (1966). The condition you assert was admittedly made orally and was not part of the terms of the note Mr. Stipe signed.

In light of the above, we find no basis for a recommendation to the Commission to reconsider its finding of reasonable cause to believe Mr. Stipe violated 2 U.S.C. § 441a(a)(1)(A) due to his liability on the note. Hopefully,

conciliation efforts will be continued in this matter, as it appeared Mr. Stipe and my staff had made some progress in this regard with their discussion of alternatives to the conciliation agreement proposed by the Commission and this Office. If, however, neither Mr. Stipe nor his counsel contacts this Office within ten days of receipt of this letter, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit.

If you have any questions concerning the above information, or any other matter, please contact Marsha Gentner at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

U.S. MAIL PERMIT NO. 100 NEW YORK, N.Y. 10108

POSTAGE IN FULL (STAMP OR POSTAGE PAID PERMIT NO. 100 NEW YORK, N.Y. 10108)

1. THE FOLLOWING ARTICLE IS REGISTERED (CHECK ONE)

☒ L1. SHOW AS A CARD AND CASE CONTAINED

☒ L2. SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY

☒ RESTRICTED DELIVERY

☒ RETURN TO SENDER (SEE INSTRUCTIONS)

☐ RESTRICTED DELIVERY

DATE TO WHOM, DATE, AND ADDRESS OF DELIVERY: _____

(CONSULT POSTMASTER FOR FORMS)

2. ARTICLE ADDRESSED TO: **John B. Estes**

3. ARTICLE DESCRIPTION:

REGISTERED NO. _____ CERTIFIED NO. **99933** INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☒ Authorized agent

Cynthia

4. DATE OF DELIVERY _____

5. ADDRESS/Complete only if required _____

6. UNABLE TO DELIVER BECAUSE _____

STAMPS INITIALS

1977-9-20-90



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: APRIL 4, 1979
SUBJECT: MUR 581 - Interim Conciliation
 Report date 4-3-79; Received
 in OCS 4-3-79, 10:16

The above-named document was circulated on a 24 hour no-objection basis at 1:00, April 3, 1979.

The Commission Secretary's Office has received no objections to the Interim Conciliation Report as of 1:00 this date.

79040162582

April 3, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 581

Please have the attached Interim Council Report
on MUR 581 distributed to the Commission.

Thank you.

79040152583

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ward for Congress Committee)

79 APR 3 AIO: 16
MUR 581

INTERIM CONCILIATION REPORT

On December 21, 1978, the Commission found reasonable cause to believe the Ward for Congress Committee ("the Committee") violated 2 U.S.C. §437b(a)(1) by not processing financial activity through designated depositories; 2 U.S.C. §432(c) for failing to maintain complete records of the financial activities of county Committee chairmen; 2 U.S.C. §434(b)(2)(8)(9) and (11) by not reporting \$7,016.08 in receipts and \$10,971.10 in expenditures; 2 U.S.C. §434(b)(12) by not continually reporting \$5,926.11 in debts and the circumstances of their extinguishment; and 2 U.S.C. §441a(f) by accepting excessive contributions from three individuals.

A proposed conciliation agreement was sent to Mr. Recker Swearingin, treasurer of the Committee. The conciliation agreement provides for a civil penalty of \$5,000, as well as the submission of amended reports supplying the missing information as to receipts, expenditures, and Committee debts.

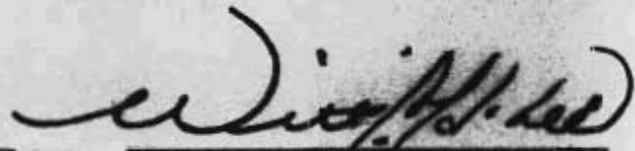
After the exchange of correspondence, telephone calls, and a personal meeting between Office of General Counsel staff members and representatives of the respondent, the Committee proposed that it pay a civil penalty of \$300 to close the matter.

79040162584

On March 7, 1979, the Commission rejected this counter-offer. A letter was sent to the Committee notifying it of the Commission's decision. The Committee has contacted the General Counsel's Office and conciliation efforts continue in this matter. It is expected that another Committee counter-offer along with a recommendation from this office will be ready for submission to the Commission within the next two weeks.

79040162585
DATE

4/2/79



William C. Oldaker
General Counsel

CHARLES L. WARD
for
U.S. CONGRESS

RECEIVED
FEDERAL ELECTION
COMMISSION

78 MAR 26 PM 1:22

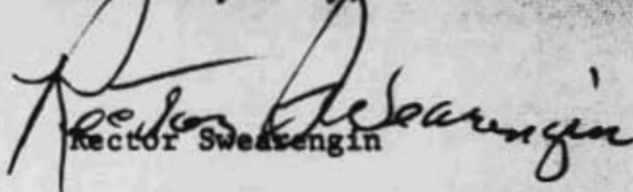
Ms. Marsha Gentner
Legal Department, Federal Election Commission
1325 K. Street, N. W.
Washington, D. C. 20463

Dear Ms. Gentner: Re: MUR 581 (78)

I have signed the enclosed agreement and proposed
a penalty of \$1000.00.

I hope that the Commission will agree to this
settlement of the Ward for Congress Committee
matter.

Yours very truly


Rector Swearengen

DR
Encls.

901752

Certified Mail
Return Receipt Requested

CC William C. Oldaker
General Council

Ward for Congress Committee - R. H. Swearengen, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

A copy of our report is filed with the Federal Election Commission and is available for purchase from
the Federal Election Commission, Washington, D.C. 20463

79040162586

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Ward for Congress Committee) MUR 581 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that the Ward for Congress Committee (hereinafter "the Committee" or "the Respondent") has violated 2 U.S.C. §§432(c), 437b(a)(1), 434(b)(2)(8)(9) and (11), 434(b)(12), and 441a(f).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. Respondent was the principal campaign committee for Charles Ward in 1976.

- B. That "County Chair People" in ten of the twenty-five counties involved in the campaign carried on financial activity as part of the Respondent committee.
- C. Only four of these ten counties maintained bank accounts.
- D. That, notwithstanding the best efforts of the committee to insure proper bookkeeping, the records of receipts kept by ten of the county Chair Persons consisted of lists, many of which listed only the name of the contributor and the amount of the contribution.
- E. That, notwithstanding the best efforts of the committee to insure proper bookkeeping, the records of expenditures kept by ten of the county Chair Persons consisted of lists, some of which omitted the name of the payee and/or date of the expenditure.
- F. The Respondent had receipts of \$141,881.49 but, notwithstanding it's best efforts to do so, reported \$134,865.41 of these receipts. The Respondent made expenditures of \$143,560.30 but notwithstanding the best efforts of the committee to insure proper bookkeeping, reported \$132,589.20 of these expenditures.

79010162588

- G. Respondent records and reports show outstanding "debts" of \$6,926.11 for which no continuous schedules or debt settlement statements satisfactory to the Commission have been filed with the Commission.
- H. On September 20, 1976, the Respondent obtained an \$8,000 loan from the First National Bank of Durant, endorsed by Eugene Stipe, John Massey, and Rector Swearingin.
- I. The \$8,000 loan was repaid by Respondent on October 27, 1976, and no proceeds of the loan were used by Respondent.

WHEREFORE Respondent agrees:

- A. That ^{the} ~~4~~ County Chair Persons in ten of the twenty-five counties involved in the campaign carried on financial activity as part of the Respondent Committee.
- B. That four of these counties which carried on financial activity maintained bank accounts.
- C. 2 U.S.C. Section 437(a)(1) requires that all Committee receipts and expenditures be processed through a designated campaign depository.
- D. That Respondent, notwithstanding it's best efforts to fully obtain and report the required information, violated, but did not knowingly and willfully violate, 2 U.S.C. Section 437(a)(1) by processing only a portion of the receipts and expenditures of six counties through designated campaign depositories.

79040162589

- E. That, notwithstanding the best efforts of the committee to fully comply with the Act, records of receipts and expenditures kept by ten of the County Chair Persons consisted of lists, some of which omitted information such as dates, payees, and occupations of those who contributed in excess of \$100.
- F. 2 U.S.C. Section 432(c) requires political committees to keep detailed records of contributions and expenditures, including the date of the contribution/expenditure, the amount, identification of the contributor/payee, and the occupation of anyone who contributes more than \$100 in the aggregate.
- G. The Respondent, notwithstanding the best efforts of the committee to obtain and fully report all information, violated, but did not knowingly and willfully violate, 2 U.S.C. Section 432(c) by failing to maintain complete records of the financial activities of some of its County Chair People.
- H. That Respondent failed to report \$7,016.08 in receipts which amounts to 4.94% of the total receipts and \$10,971.10 in expenditures which amounts to 7.6% of total expenditures, some of which may have exceeded \$100 in the aggregate as to the same contributor/payee.

79040162590

- I. 2 U.S.C. Section 434(b)(8) and (11) requires political committees to report the total sums of all committee receipts and expenditures. 2 U.S.C. Section 434(b)(2) and (9) requires committees to itemize all contributions by individuals aggregating in excess of \$100 within the calendar year, and to itemize all expenditures to recipients that aggregate in excess of \$100.
- J. Respondent, notwithstanding the best efforts of the committee to obtain and fully report all information, violated, but did not knowingly and willfully violate, 2 U.S.C. Section 434(b)(8) and (11) by not reporting some receipts and expenditures, and 2 U.S.C. Section 434(b)(2) and (9) by not itemizing contributions and expenditures in excess of \$100, aggregate, with respect to the same individuals.
- K. That Respondent records and reports show outstanding "debts" of \$6,926.00 for which no continuous schedules or statements of settlements satisfactory to the Commission have been filed; although the Commission acknowledges that documents have been submitted by the committee in an effort to show that the debts have been properly settled.
- L. 2 U.S.C. Section 434(b)(12) requires committees to continuously report debts and obligations until those debts are extinguished, and to file statements concerning the circumstances involved in their extinguishment.

79040162591

- M. Respondent, notwithstanding it's best efforts to comply fully with the Act, violated, but did not knowingly and willfully violate, 2 U.S.C. Section 434(b)(12) by not filing continuous statements and settlement schedules for \$6,926.11 of its debts.
- N. That Respondent received an \$8,000 loan from First National Bank of Durant endorsed by Eugene Stipe, John Massey, and Rector Swearengin. However, the Commission acknowledges that proceeds from the loan were not used by the committee and that acceptance of the loan by the Respondent was not a knowing and willful violation of the Federal Election Act of 1971, as amended.
- O. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. Section 431(e)(5).
- P. According to 2 U.S.C. Section 431(e)(5), Eugene Stipe, John Massey, and Rector Swearengin each contributed \$2,666.66 to the Respondent by endorsing the \$8,000 loan to Respondent.

79040162592

- Q. Contributions from an individual in excess of \$1,000 per candidate committee per election constitute violations of 2 U.S.C. Section 441a(a)(1)(A).
- R. Acceptance by a committee of contributions from individuals which are in violation of 2 U.S.C. Section 441a(a)(1)(A) place the Committee in violation of 2 U.S.C. Section 441a(f).
- S. Respondent, violated, but did not knowingly and willfully, violate,, 2 U.S.C. Section 441a(f) by accepting excessive contributions from Eugene Stipe, John Massey, and Rector Swarengin.
- T. For the purpose of settling this controversy, Respondent agrees that similar loans will not be accepted in the future.
- U. Respondent will file with the Commission debt settlement schedules for its \$6,926.11 in outstanding "debts", and will amend to the fullest extent possible its reports to reflect the \$7,016.08 in receipts and \$10,971.10 in expenditures that, despite its best efforts to do, it has not reported.
- V. Respondent will pay a civil penalty in the amount of \$1000.00.
- W. General Conditions
- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. Section 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this agreement.

79040162593

If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the Eastern District of Oklahoma.

- B. This Agreement should not be construed as an admission by the Committee that it has knowingly and willfully violated any provisions stated herein.

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9

C.3. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.

D. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

E. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

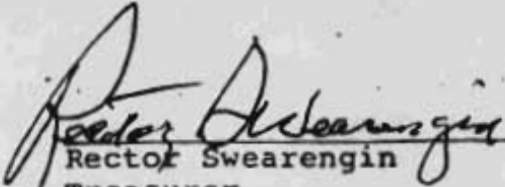
79040162595

Date

William C. Oldaker
General Counsel

Date

3-21-79


Rector Swearengen
Treasurer
Ward for Congress Committee



R. H. SWEARINGIN
INSURANCE
801 West Main
DURANT, OKLAHOMA, 74701

RETURN RECEIPT
REQUESTED

CERTIFIED

PO1 7449152

MAIL



78 MAR 21 PM 1:22

Ms. Marsha Gentner
Legal Department, Federal Election Commission
1325 K. Street, N. W.
Washington, D. C. 20463

CHARLES L. WARD

for

U.S. CONGRESS

RECEIVED
FEDERAL ELECTION
COMMISSION

79 MAR 26 AM 9:42

901719

Ms. Marsha Gentner
Legal Department, Federal Election Commission
1325 K. Street, N. W.
Washington, D. C. 20463

Dear Ms. Gentner: Re: MUR 581 (78)

I have signed the enclosed agreement and proposed
a penalty of \$1000.00.

I hope that the Commission will agree to this
settlement of the Ward for Congress Committee
matter.

Yours very truly,

R. H. Swearengen
Rector Swearengen

DR
Encls.

Certified Mail
Return Receipt Requested


✓ CC William C. Oldaker
General Council

79 MAR 26 P 2:07

Ward for Congress Committee - R. H. Swearengen, Treasurer
P.O. Box C W - Durant, Oklahoma 71601

A copy of our report is filed with the Federal Election Commission and is available for review from
the Federal Election Commission, Washington, D.C. 20463

79040162598

 R. H. SWEARENGIN

INSURANCE

307 West Main

DURANT, OKLAHOMA, 74701

RECEIVED
FEDERAL ELECTION
COMMISSION

TO MAR. 25 AM 9



Mr. William C. Oldaker
General Counsel, Federal Election Commission
1325 K. Street, N. W.
Washington, D. C. 20463

Stipe, Gossett, Stipe, Harper & Estes

RECEIVED
FEDERAL ELECTION
COMMISSION

ATTORNEYS AT LAW

P. O. Box 82667 - 2918 Lincoln Blvd. - Oklahoma City, Oklahoma 73162 - 405/524-2268

9632
MAR 19 PM 3:25
Richard L. Gossett
Clyde Stipe
Eddie Harper
John B. Estes
Robert McCune
James D. Wadley
William C. Dawkins
Stephen H. Buzin
Monte Brown

March 14, 1979

Ms. Marsha Gentner
1325 K Street, N. W.
Washington, D. C. 20463

901612

Dear Ms. Gentner:

Pursuant to your request, please find enclosed a Brief detailing the legal significance of the endorsement of the blank Note. It is my belief that the Brief will cause any further action upon your part to be foregone.

Should you require any further clarification or authority, please notify us and we shall attempt to provide assistance.

Sincerely,

John B. Estes

John B. Estes

JBE/am

Enclosure

79040162599
GENERAL COUNSEL

79 MAR 19 1

79 MAR 19 4:38 PM

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF
EUGENE STIPE

}

MUR-581-(78)

BRIEF IN SUPPORT OF RESPONDENT'S DENIAL
OF VIOLATION OF 2 USC 441A(a)(1)(A)

COMES NOW the Respondent, Gene Stipe, and for his answer to the findings of the Federal Election Commission that reasonable cause exists that the Respondent violated 2 U.S.C. §441 A(a)(1)(A), denies any and all violations. In support of this denial the Respondent submits the following facts and authority.

STATEMENT OF FACTS

Respondent, Gene Stipe, along with two other individuals, endorsed a blank note. It was expressly understood by all of the parties that the Note was only to take effect upon the performance of a certain condition; that condition being the endorsement of at least ten (10) parties. Prior to the fulfillment of the aforementioned condition, the Note was materially altered and a loan was made to the Ward for

79040162600

Congress Committee. Respondent at no time authorized any change in the condition precedent or completion of the blank Note, and without such authorization, the bank legally made a loan binding only itself and the Ward for Congress Committee. At the time that the loan was given, the Note was null and void as to the Respondent.

PROPOSITION I:

RESPONDENT, GENE STIPE, WAS DISCHARGED AS A PARTY.

Respondent, Gene Stipe, submits that he had no obligation as to the Note, having been discharged as a party.

§3-407(1) of the Uniform Commercial Code states:

"Any alteration of an instrument is material which changes the contract of any party thereto in any respect, including any such change in

- (a) the number or relations of the parties; or
- (b) an incomplete instrument, by completing it otherwise than as authorized; or
- (c) The writing as signed, by adding to it or by removing any part of it."

Clearly, the bank by acting without any authorization by the Respondent, materially altered the Note. The Note was obviously an incomplete instrument, being blank, and the bank completed it without authorization. By the act of completing the blank Note, the bank did, in fact, materially alter the Note as defined by the Uniform Commercial Code. Section 3-601 of the Uniform Commercial Code states that an alteration as defined by Section 3-407 discharges any party from any liability on an instrument. As such, it is clear that the bank's loan was binding only upon the bank and the

79040162602

Committee, as the other parties were discharged by the material alteration of the Note. Respondent, having been fully discharged as a party to the original blank Note, was simply not involved in or affected by the subsequent loan to the Ward for Congress Committee. Thus, making any violation of 2 U.S.C. §441 A(a)(1)(A) by the Respondent an impossibility.

PROPOSITION II:

RESPONDENT, GENE STIPE, INCURRED NO LIABILITY ON
THE NOTE AS IT NEVER BECAME OPERATIVE.

Respondent, Gene Stipe, further submits that uniform and consistent authority, other than the Uniform Commercial Code, sustain the proposition that the blank Note subject to the condition precedent never became operative.

In Harlow Pub. Co. v. Walden, 32 P.2d 278 (Okla. 1934), the Supreme Court of Oklahoma issued the following per justice Welch:

"In Tovera v. Parker, et al., 35 Okla. 71, 128 P. 101, this court held: 'A promissory note may be delivered by the maker to the payee upon condition, or as an escrow.'

Therein the court quoted with approval from Farmers' Bank of Roff v. Nichols, 25 Okla. 547, 106 P.834, 138 Am. St. Rep. 931, 21 Ann. Cas. 1160, as follows: 'The authorities hold that where the maker of a note delivers it to the payee with the agreement that it shall not take effect until the happening of a certain contingency or the performance of a certain condition, and where neither the contingency has occurred nor the condition been performed, the note never becomes operative; and an action thereon by the payee or his assignee with notice cannot be maintained.'

Other quotations to the same effect are therein employed, and the case is replete with citations of authorities supporting the rule. To the same effect is Horton v. Birdsong, 35 Okla. 275, 129 P.701, L.R.A. 1916B, 1048."

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The Supreme Court of Oklahoma addressed the issue again in, Hogue et. al. v. McClain County National Bank, et al., 47 P.2d 575 (Okla. 1935). The per curiam opinion held at page 578:

"It is equally well settled that a note may be delivered to take effect only upon the happening of a future contingency and that until such contingency happens no valid obligation is created. Tovers v. Parker, 35 Okl. 74, 128 P. 101; Gamble v. Riley, 39 Okl. 363, 135 P. 390; Yeager v. Jackson, 162 Okl. 207, 19 P.(2d) 970, 971, and cases there cited.

The general rule allowing for the unenforceability of Notes such as that endorsed by the Respondent was reaffirmed in, Buellesfeld v. Carpenter, et. al., 129 P.2d 1022 (Okla. 1942) (hereinafter Buellesfeld). Justice Bayless at page 1023 wrote:

"In 7 Am. Jur. 811, §41, this rule is dealt with as applied to the delivery of the note to the payee. It is said: 'The provisions of the Uniform Negotiable Instruments Act referred to in the preceding section settles the question whether a conditional or contingent delivery may be made to the payee. On general principles, even before the adoption of the Uniform Act, the great weight of authority has sustained the right of the maker of a promissory note or other negotiable instrument to deliver it to the payee or other obligee upon the condition that it shall not become a binding obligation except upon the happening of a certain event * * * until the condition is met, the instrument is unenforceable.' (Emphasis added.)

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The most recent discussion of the issue appeared in Bradow v. Jones, 431 P.2d 413 (Okla. 1966), wherein Justice Hodges, citing Farmers' Bank of Roff v. Nichols, 106 P. 834 (Okla. 1910) (hereinafter Farmers), wrote:

"The authorities hold that where the maker of a Note delivers it to the payee with the agreement that it shall not take effect until the happening of a certain contingency or the performance of a certain condition, and where neither the contingency has occurred nor the condition been performed, the note never becomes operative, and an action thereon by the payee or his assignee with notice cannot be maintained." (At p. 417).

Clearly, and unequivocally, the above cited authority shows that Notes which are subject to conditions precedent never become operative and binding upon the parties if the conditions precedent are not met. Respondent, Gene Stipe, thus, at no time was bound by the Note. Had the loan remained unpaid, it is undisputed that the Bank could not have maintained any action against the Respondent, as the subsequent loan was a separate and distinct transaction with which the Respondent was not connected. This, of course, irrebuttably sustains the contention of the Respondent that he in no manner violated the Federal Election Laws by exceeding the One Thousand Dollar (\$1,000.00) individual campaign contribution limit.

PROPOSITION III:

PAROL EVIDENCE CAN ESTABLISH
THE EXISTENCE OF THE CONDITION PRECEDENT.

Respondent, Gene Stipe, submits that evidence establishing the nonfulfillment of the conditions precedent is admissible to show the facts that: (1) Respondent was dismissed as a party to the original blank Note; (2) Said Note never became operative. The fact that the Respondent endorsed a blank Note which was not to be filled in or altered prior to the fulfillment of the condition calling for at least ten (10) endorsers is known to all of the original parties to the Note. The condition precedent can be shown through parol evidence by the Respondent, according to the clear weight of authority. In Harlow Pub. Co. v. Walden, supra, Justice Welch, citing Colonial Jewelry Company v. Brown, 131 P. 1077 (Okla. 1913), wrote:

Evidence offered for the purpose of showing that a written instrument was delivered conditionally does not constitute contradicting or varying a written instrument by parol. Such evidence does not tend to show any modification or alteration of the written agreement, but that it never became operative, and that its obligation never commenced." (at p. 280). (Emphasis added.)

In, Hogue et al. v. McClain County National Bank, et al., supra, the per curiam opinion held at page 578:

"In Yeager v. Jackson, 19 P.2d 1933 in , an opinion by Justice Welch, this court said in the syllabus: 'Parol evidence is not admissible to vary the terms of a written contract, but

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parol evidence may be introduced to prove a separate parol agreement constituting a condition precedent to the taking effect of the written contract.'

In the body of the opinion the court quoted approvingly from Gamble v. Riley, supra, as follows: 'It is elementary that parol evidence is inadmissible to contradict or vary the terms of a valid written instrument. But the rule is almost equally well settled that parol evidence may be given to prove the existence of any separate parol agreement constituting a condition precedent to the attaching of any obligation under the written instrument; this is not to vary the terms of a written instrument, but to prove that no contract was ever made; that its obligation never commenced.'

Following this quotation, the court cited a number of cases to the same effect, and remarked: 'We find no authority to the contrary, and none is cited.'

Both the previously mentioned cases of Bredow v. Jones, supra, and Buellesfeld, supra, respectively citing the above mentioned Harlow case and AmJur 810 §40, hold in the identical manner as to the admissibility of parol evidence to show that a Note never became operative.

CONCLUSION

Respondent, Gene Stipe, never authorized the bank to complete the blank Note, as such was not to be done prior to the fulfillment of a condition precedent. The bank, by

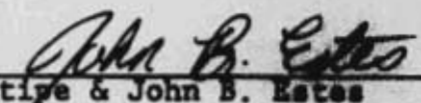
79040162609

materially altering the Note and issuing the loan to the Campaign Committee, discharged the Respondent as a party. The clear authority presented further shows that the Note never became operative and binding upon its original parties as the condition precedent was not met. As a consequence, the law is quite clear that the only parties involved in the loan transaction were the bank and the Committee.

The Respondent, Gene Stipe, fully cognizant of both his discharge as a party, and the fact that the Note never became operative denies any violation of 2 U.S.C. §441 A(a)(1)(A).

STIPE, GOSSETT, STIPE, HARPER & ESTES
P. O. Box 53567
Oklahoma City, Oklahoma 73152
(405) 524-2268

By:


Gene Stipe & John B. Estes

Stiles, Gossard, Stiles,
Harper & Ekins
c/o Alvin Bl
Oklahoma City, Okla



GENERAL ELECTRIC
COMMUNICATIONS

78 MAR 19 PM 3:28

CERTIFIED
MAIL
No. 597543

Ms. Marsha Gentner
1325 K Street, N. W.
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 8, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin, Treasurer .
Ward for Congress Committee
P.O. Box CW
Durant, Oklahoma 74701

Re: MUR 581

Dear Mr. Swearengin:

We are in receipt of your counter proposal on behalf of the Ward for Congress Committee (the Committee) in reply to the Commission's finding of reasonable cause to believe the Committee violated 2 U.S.C. §§ 437b(a)(1), 432(c), 434(b)(2)(8)(9) and (11), 434(b)(12), and 441a(f), and the conciliation agreement sent to the Committee. However, the Office of General Counsel could not favorably recommend your proposal to the Commission, and the Commission determined not to accept your proposal in settlement of this matter.

In your letter on behalf of the Committee, you have denied all violations except possibly two. One of these you say you "may be guilty of" is the lack of receipted bills for 32 expenditures; however the lack of receipted bills was not the subject of a finding against the Committee. You also stated that you do not deny that the Committee violated 2 U.S.C. § 434(b)(12) for not continuously reporting Committee debts and the circumstances of their extinguishment. You offer to pay a \$200 civil penalty in connection with this violation, and \$100 in connection with the former "violation".

The Committee still has not supplied the necessary debt settlement statements. When you met with staff attorneys in our offices, you were provided with an informational sheet on debt settlement statements to aid you in complying with 2 U.S.C. § 434(b)(12). Unfortunately, all that was sent to this Office were letters acknowledging these outstanding Committee debts.

Because of the above factors and the unusually disorganized and incomplete Committee records in this campaign, an offer to pay a \$300 civil penalty when a \$5,000 civil penalty was assessed, and to admit to only a "possibility" of two violations when the Commission found reasonable cause to believe the Committee committed five violations of the Federal Election Campaign Act of 1971, as amended, is not an acceptable counter proposal. If you intend to continue conciliation efforts, or to sign the conciliation agreement and pay the civil penalty, you must contact Ms. Marsha Gentner, the attorney assigned to this matter, within five(5) days of your receipt of this letter. If you do not, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

If you have any other questions concerning the conciliation agreement, please contact Ms. Gentner at (202) 523-4073. We look forward to hearing from you.

Sincerely,

William C. Oldaker
William C. Oldaker
General Counsel

719040162612

1. The following information is required for each article:
☐ Describe the article and its contents
☐ Describe the article, date, and estimated value
☐ Describe the article, date, and estimated value
☐ Describe the article, date, and estimated value
☐ Describe the article, date, and estimated value

2. ARTICLE ADDRESS TO:
Postmaster
Post Office Box 1000

3. ARTICLE DESCRIPTION:
REGISTERED NO. *431260* CERTIFIED NO. *11111* INSURED NO. *11111*
(Always attach signature of addressee or agent)

I have received the article described above:
SIGNATURE ☐ Addressee ☐ Authorized agent
T. D. Charles

DATE OF DELIVERY *3-13-79* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: *CLERK'S MISTAKE*

2025 197-5-1000

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin, Treasurer
Ward for Congress Committee
P.O. Box CW
Durant, Oklahoma 74701

Re: MUR 581

Dear Mr. Swearengin:

We are in receipt of your counter proposal on behalf of the Ward for Congress Committee (the Committee) in reply to the Commission's finding of reasonable cause to believe the Committee violated 2 U.S.C. §§ 437b(a)(1), 432(c), and 4b(2)(8)(9) and (11), 434(b)(12), and 441a(f), and the conciliation agreement sent to the Committee. However, the Office of General could not favorably recommend your proposal to the Commission, and the Commission determined not to accept your proposal in settlement of this matter.

In your letter on behalf of the Committee, you have denied all violations except possibly two. One of these you say you "may be guilty of" is the lack of receipted bills for 32 expenditures; however the lack of receipted bills was not the subject of a finding against the Committee. You also stated that you do not deny that the Committee violated 2 U.S.C. § 434(b)(12) for not continuously reporting Committee debts and the circumstances of their extinguishment. You offer to pay a \$200 civil penalty in connection with this violation, and \$100 in connection with the former "violation".

The Committee still has not supplied the necessary debt settlement statements. When you met with staff attorneys in our offices, you were provided with an informational sheet on debt settlement statements to aid you in complying with 2 U.S.C. § 434(b)(12). Unfortunately, all that was sent to this Office were letters acknowledging these outstanding Committee debts.

79040162613

79040162614

Because of the above factors and the unusually disorganized and incomplete Committee records in this campaign, an offer to pay a \$300 civil penalty when a \$5,000 civil penalty was assessed, and to admit to only a "possibility" of two violations when the Commission found reasonable cause to believe the Committee committed five violations of the Federal Election Campaign Act of 1971, as amended, is not an acceptable counter proposal. If you intend to continue conciliation efforts, or to sign the conciliation agreement and pay the civil penalty, you must contact Ms. Marsha Gentner, the attorney assigned to this matter, within five(5) days of your receipt of this letter. If you do not, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

If you have any other questions concerning the conciliation agreement, please contact Ms. Gentner at (202)523-4073. We look forward to hearing from you.

Sincerely,

William C. Oldaker
General Counsel

MB
3/8/79



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 6, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearingin
301 West Main Street
Durant, Oklahoma 74701

Re: MUR 581(78)

Dear Mr. Swearingin:

This Office is in receipt of your recent letter concerning the conciliation agreement and letter of notification of the Commission's finding of reasonable cause to believe you violated 2 U.S.C. § 441a(a)(1)(A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000. Unfortunately, because your letter does not provide for payment of any civil penalty or admission of a violation, it cannot be recommended to the Commission as a counter proposal. However, if you would like to continue conciliation efforts, or intend to sign the conciliation agreement and pay the civil penalty, please contact Ms. Marsha Gentner, the attorney assigned to this matter, within five(5) days. If you do not, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. See 2 U.S.C. § 437g(a)(5)(B).

If you have any questions concerning the conciliation agreement, or any other matter, please contact Ms. Gentner at (202) 523-4073.

Sincerely,

William C. Oldaker
William C. Oldaker
General Counsel

PS Form 3811, Apr 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. SENDER. Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

☒ Show to whom and date delivered. _____

☐ Show to whom, date, and address of delivery. _____

☐ RESTRICTED DELIVERY

Show to whom and date delivered. _____

☐ RESTRICTED DELIVERY

Show to whom, date, and address of delivery. _____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

South System Center
1520 Hwy 75 North
Sherman TX 75090

3. ARTICLE DESCRIPTION:

REGISTERED NO. CERTIFIED NO. INSURED NO.

638785

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

INITIALS

☆DPD 1977-6-249-590

7 9 0 1 0 1 6 2 6 1 7

CHARLES L. WARD for U.S. CONGRESS

P.O. Box CW

Durant, Oklahoma 74701

P.O. Box 26

South System Center
1520 Hwy. 75 North
Sherman, Texas 75090

CERTIFIED

No. 638785



CLAIM CHECK NO.

820439

☐ HOLD

DATE

2-12

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3849-A
July 1977



TIMMONS AND COMPANY, INCORPORATED

1776 F STREET, N.W.

WASHINGTON, D.C. 20006

Mrs. Marsha Gentner
Federal Elections Commission
1325 K Street, N.W.
Washington, D. C. 20463

Stipe, Gosselt, Stipe & Harper

P.O. Box 53567 • 2915 Lincoln Blvd. • Oklahoma City, Oklahoma 73105 • 405/524-2288

ATTORNEYS AT LAW

Gene Stipe
Richard L. Gosselt
Clyde Stipe
Eddie Harper
Carl Hughes
John B. Estes
Roger O. Housley
Robert McCune

February 8, 1979

901196

Ms. Marsha Gentner
1325 K Street, N. W.
Washington, D. C. 20463

Dear Ms. Gentner:

At this time I am not in a position to agree to the proposed Conciliation Agreement, as I would not at any time agree to or knowingly become a party to a violation of the election code.

From talking to Mr. Swearingin, there has developed some confusion about the \$8,000.00 note, but as I told you in previous correspondence, I signed the note in blank with the complete understanding that it would be guaranteed by at least ten people and that no one would be obligated to pay more than one-tenth of the \$8,000.00.

I have discussed this matter with Mr. John Massey and he had a similar understanding to mine. In view of this, I would hope that you would forego any further action on this matter.

I want to assure you, on behalf of myself and on behalf of Mr. Massey, that we stand ready to do anything we can to clarify this matter.

Respectfully yours,

Gene Stipe

GS:gb



Gene Stipe
State Senator

323 EAST CARL ALBERT PARKWAY
MCALISTER, OKLAHOMA 74501



'79 MAR 5 AM 10:51

Ms. Marsha Gentner
1325 K Street, N. W.
Washington, D. C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ward for Congress Committee)

MUR 581

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 7, 1979, the Commission approved by a vote 4-0 the following recommendations, as set forth in the General Counsel's Memorandum dated March 2, 1979, regarding the above-captioned matter:

1. Reject the counter proposal of the Ward for Congress Committee.
2. Send the letter attached to the above-named report.

Voting for this determination were Commissioners Aikens, Tiernan, McGarry, and Harris.

Attest:

3/8/79
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: Friday, 3-2-79, 4:57
Circulated on 48 hour vote basis: Monday, 3-5-79, 1:00

79040162621



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS
DATE: MARCH 8, 1979
**SUBJECT: CERTIFICATIONS ON MATTERS PREVIOUSLY
LACKING 4 AFFIRMATIVE VOTES**

Your office was notified via memorandum that MUR 636/NF 95, NF 188, NF 199, MUR 581, MUR 891, and MUR 917 were lacking the necessary votes for certification when the deadline expired.

The fourth vote was received in the Office of Commission Secretary at 5:23, March 7, 1979.

Attached are certifications for the above-named items.

Unless otherwise instructed, these matters will be removed from the Executive Session Agenda for March 14, 1979.

ATTACHMENTS:
6 Certifications



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEBLE
FROM: MARJORIE W. EMMONS *mwe*
DATE: MARCH 7, 1979
SUBJECT: LACK OF 4 AFFIRMATIVE VOTES

As of 4:00 this date, three hours beyond the deadline, this office lacks 4 affirmative votes on the following matters circulated on a 48 hour vote basis:

MUR 636/NF 95
NF 188
NF 199
MUR 581
MUR 891
MUR 917

These matters are being placed on the Executive Session Agenda for March 14 unless otherwise instructed.

March 2, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 581

Please have the attached Memo distributed to the
Commission on a 48 hour tally basis.

Thank you.

79040162624



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 MAR 2 P4: 57

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *wco*
General Counsel *by S.A.G.*

SUBJECT: Ward for Congress Committee (MUR 581)--Committee
Responses to Proposed Conciliation Agreement

DATE: March 2, 1979

On December 21, 1978, the Commission found reasonable cause to believe the Ward for Congress Committee ("the Committee") violated 2 U.S.C. § 437b(a)(1) by not processing financial activity through designated depositories; 2 U.S.C. § 432(c) for failing to maintain complete records of the financial activities of county Committee chairmen; 2 U.S.C. § 434(b)(2)(8)(9) and (11) by not reporting \$7,016.08 in receipts and \$10,971.10 in expenditures; 2 U.S.C. § 434(b)(12) by not continually reporting \$6,926.11 in debts and the circumstances of their extinguishment; and 2 U.S.C. § 441a(f) by accepting excessive contributions from three individuals.

A proposed conciliation agreement was sent to Mr. Rector Swearengin, treasurer of the Committee. The conciliation agreement provides for a civil penalty of \$5,000, as well as the submission of amended reports supplying the missing information as to receipts, expenditures, and Committee debts.

After the exchange of correspondence, telephone calls, and a personal meeting between Office of General Counsel staff members and representatives of the respondent, the Committee proposed that it pay a civil penalty of \$300 to close this matter. Mr. Swearengin further stated, on behalf of the Committee, that the Committee would admit to only two violations: a violation of 2 U.S.C. § 434(b)(12) and another section of the Act which was not the subject of a finding



against the Committee. Some letters from vendors acknowledging outstanding debts owed by the Committee to them, or the lack thereof, were also submitted; however, debt settlement statements as requested several times by the staff and required by the proposed conciliation agreement were not submitted. Mr. Swearengin, on behalf of the Committee, denies any other violations have occurred, relying on his good intentions as a complete defense.

Because the records of the Committee were so unorganized and incomplete, and because continuous efforts have been made by this Office and the Audit Division to acquire the missing information and debt settlement statements from the Committee, the Office of General Counsel recommends that the Commission find the Committee's counter proposal unacceptable. The staff attorney assigned to this matter has received indications that another, more reasonable counter offer is being prepared by the Committee and will be sent to the General Counsel's Office should their present offer be rejected. Therefore, this Office is confident that conciliation efforts will not be disrupted by such a rejection.

RECOMMENDATION

1. Reject the counter proposal of the Ward for Congress Committee.
2. Send the attached letter.

Attachments: Letter from Rector Swearengin
Letter to Committee

79040152626

79040162627

RECEIVED
FEDERAL ELECTION
COMMISSION

CHARLES L. WARD

for

U.S. CONGRESS

79 JAN 1 AIO: 39

January 28, 1979

Re: MUR 581 (78)

Ms. Marsha Gentner
1325 K. Street N. W.
Washington, D. C. 20463

Dear Ms. Gentner:

I feel the one mistake I made in this Campaign was not spending the full five days with the Audit in my office. It would have probably saved my trips to McAlester and Tulsa getting the statements from the last accounts I settled along with some other items in question.

You refer to me as the Principal Campaign Committee. Let me explain how I became involved and just what my duties were.

Mr. Charlie Ward decided to enter the race for Congress about June 16, 1976 which was only a few days more than 60 days until the Primary. Up to this time, there had been no plans made nor any kind of organization. Mr. Ward had been the Assistant to Congressman, Carl Albert from the 3rd District in Oklahoma for the past 20 years, six of those years Mr. Albert was Speaker of The House of Representative. After Mr. Ward decided to run, he called me asking if I would serve as his Treasurer for the Campaign. After some three or four days and talking to my friends about whether I should or not, I told him I would serve but my time was so limited. I started to work setting up the headquarters.

I was told Mr. Don Dage of Walters, Oklahoma, would be the manager. In a few days about June 28th, Mr. Ward came to Durant to start his Campaign. Mr. Dage, Mr. Ward and I met to discuss the organization. The next day Mr. Dage was notified of a serious illness in his family which illness in a short time resulted in death. He then notified Mr. Ward he could serve no longer. He was not replaced and since Mr. Ward had been so active for so many years in all of the Counties, Volunteers began handling the Campaign in small groups without

Ward for Congress Committee - R. H. Swearengen, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463

CHARLES L. WARD

for

U.S. CONGRESS

any leader or organization. The headquarters in Durant sent out letters setting out things to be done in order to follow the law. In the first District Meeting this was gone over again.

A Mr. Webber from Tulsa was sent to Durant for two days, July 1st, to set up the books for the campaign and to show how reports were to be made. He had had experience in keeping the books in another Federal Election. The bookkeeper who kept the books for the first three weeks instructed us daily on getting reports to her in order that we would not be in violation.

It has been a common practice in campaigns for small groups and factions to get together collect money, buy ads for Radios, Newspapers, buy hand bills, ect. This seemed to be their Privilege to do this for their Candidate. They would also establish their own bank account, spend the money with their own County paper hire workers who were their friends, ect. It appears this is one violation I am charged with, both on Money Collected and not reported and also small bank accounts established and not reported. There were some three or four bank violations and some five or six violations of Money Collected and spent locally. This happend in spite of all our efforts to get the reports and the Money to the Central Office. When the election was lost no ammount of effort could then get these reports. Many phone calls were made to County Officials, Bank Officers, to get the final information, but with little results. They said we lost the election, so what. I finally got in my car and drove to other counties to get reports, bank statements, ect., that could have been mailed to me weeks before.

If this is a strick violation caused in a techinal sense maybe it is according to the law, it would take enforcment by law in each County and Town in this Dristict. Would you expect me to sign an agreement that this violation was chargeable to the Committee?

We tried to report all receipts and expenditures as they were reported to us. In some of our reports on cash we only showed Miscleanous Collections. We could not identify the cash donors since they came from public meetings where some one simply passed the hat and turned in what was collected. Now as to the total receipts and expenditures, everything that was collected regardless of how small, was deposited in the

Page 2

Ward for Congress Committee - R. H. Swarengin, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

79040162628

CHARLES L. WARD

for

U.S. CONGRESS

Ward for Congress account. When the Money was disbursed the check showed the purpose of with drawel and the number of the check was placed on the bill being paid. Even when we drew \$10 or \$20 for office petty cash we kept the small sales slips on a twentyfive cent purchase in an envelope.

Now as to Criticism on failure to get receipt for numerous bills and accounts. Most of these were in other Counties and Towns and the cancelled checks showed that they were accepted as payment for the account. The account that was paid also showed the check number one account of four checks paid to Cora McLain showing no receipts in the file. She is a lady who had worked for me in the Insurance office for 27 years. She was retired so we employed her to answer the phone at headquarters. Everybody knew here in this area and we were suprised to get this criticism. Many of the accounts where no receipts were shown were radio stations, newspapers and such. It would have been very unusual to try to falsify an account such as this, when the bill was clearly shown and the payment by check was recorded and the check number recorded on the bill.

Now as the debts you show unpaid. I had instructed the headquarters daily about our budget and how much money we could spend. I even held a meeting on Friday before the election on Tuesday telling them that we could spend no more than \$4000.00, the last four days of the run off. So on Election day I get calls about orders that had been made by unions and charged to the Ward Campaign. One of these came from the Impress Printing Co. in McAlester saying an order had been made for \$4,393.31, and had been delivered on Saturday. I almost denied this claim because it was not authorized and not needed. After thinking it over, I finally agreed that since it was in the intrest of the Campaign and since it was the home town of Speaker Albert for whom Mr. Ward had worked so long, we should make every effort to pay it. This caused the \$8,000.00 note to be made. I have answered this in a letter of 1-26-79. The man who made this order was also owner of KNED. You show in your audit that this account of \$278.00 was never paid. A call from Mr. Stipe in regard to the \$4393. and the \$278.00 resulted in an agreement that if we would send \$3500.00 these accounts would be satified. This we did and you have enclosed receipts and statement from Impress and KNED. The three people envolved in this were Wayne, Frances and Gene Stipe. Our check number was 352 dated 10-26-76.

Page 3

Ward for Congress Committee - R. H. Swearengin, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463

79040162629

CHARLES L. WARD

for

U.S. CONGRESS

79040162630

In regard to the McAlester Democrat and the McAlester Publishing Co., we received a statement showing we owed \$1170.94. I called Mr. Clark Bass, President of First National Bank in McAlester to see if we could get them to reduce their costs to us. He called me later saying if we could pay them \$1000.00 they would be completely satisfied. I believe your records show that the one account to the Democrat was \$897.00 and a payment of \$597.00 had been made leaving a balance of \$300.00. This we failed to make clear in our report. Our check was number 355, was in the amount of \$1000.00 and Mr. Fred Turner was manager, Mr. Bass talked to. Enclosed is a copy of the letter from Mr. Bass and a statement from the Democrat and New's Capital that all accounts are paid. This was not made clear in my report. The McAlester Publishing The McAlester News Capital and McAlester Democrat have now merged.

The \$2068.00 to McAlester was an old statement that was paid from another statement. I cannot explain just how since it has been so long but they show no unpaid bills.

The next account was Central Process and Sales of Tulsa, Oklahoma. This was an account not authorized by me. The labor people ordered \$6328.14 in additional printing on the Eve of the election. The records show that all accounts were paid to Central Process on 9-19-76. They were checks number 315 in the amount of \$601.80 and check number 316 in the amount of \$428.40. Then came the question of whether this account was to be honored by the treasurer. After consideration and several phone calls, we decided to pay them as far as we could. This was the same problem as we had encountered with the Impress. We had paid \$3500.00 on Impress. On February 19, 1977 after talking to Mr. Jerry Ragsdale owner, I sent him check number 362 in the amount of \$25000.00. I had thought I could raise the balance from the Ward supporters. This balance was \$3828.44. This was impossible, no one had any interest in a campaign that was lost. When nothing more could be done I wrote a check in the amount of \$666.06 the last check written number 365 and Purchased a cashier's check with it sending it to Central Process. This left \$3162.48. When the Latimore County closed their account, they sent the treasurer a check for \$71.40 which I endorsed to Central Process leaving a balance of \$3090.98 which is still owed.

Page 4

Ward for Congress Committee - R. H. Swearengen, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463

CHARLES L. WARD
for
U.S. CONGRESS

I enclosed the following statements:

1. KNED Radio McAlester
2. New's Captiol, McAlester Democrat and McAlester Publishing Co.
3. Impress Color Printers
4. Central Process and Sales Tulsa
5. Letter from Central Process
6. Letter from Clark Bass concering the Democrat

There are two violations which I may be guilty of. The first one being 32 receipts which I did not have. Most of these were out of town and could only be secured by much time and travel.

The second one was the final reports and the settlement of debts. All of this being after the campaign, we had lost the election and I could get no cooperation from anymore. I even lost the bookkeeper and could not get anyone trained to make the reports and how I had made an effort to settle the debts satisfactory. I had tried to give you a complet report and the truth of this campaign. I do not know how I could have done it anyother way. I have traveled over 600 miles by car, made the trip to Washington to appear before you. I have tried to supply you with all the answers at my own expenses which is not small.

I do not feel that my penalty for failure to get receipts should be more than \$100.00.

Now for the final reports, I feel that my penalty should be no more than \$200.00

I certainly hope this is sufficent for the closing of this audit.

Respectfully submitted,

Rector Swearengin
Rector Swearengin
Treasurer

Ward for Congress Committee - R. H. Swearengin, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463

79040162631



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Mr. Rector Swearingin, Treasurer
Ward for Congress Committee
P.O. Box CW
Durant, Oklahoma 74701

Re: MUR 581

Dear Mr. Swearingin:

We are in receipt of your counter proposal on behalf of the Ward for Congress Committee (the Committee) in reply to the Commission's finding of reasonable cause to believe the Committee violated 2 U.S.C. §§ 437b(a)(1), 432(c), 434(b)(2)(8)(9) and (11), 434(b)(12), and 441a(f), and the conciliation agreement sent to the Committee. However, the Office of General Counsel could not favorably recommend your proposal to the Commission, and the Commission determined not to accept your proposal in settlement of this matter.

In your letter on behalf of the Committee, you have denied all violations except possibly two. One of these you say you "may be guilty of" is the lack of receipted bills for 32 expenditures; however the lack of receipted bills was not the subject of a finding against the Committee. You also stated that you do not deny that the Committee violated 2 U.S.C. § 434(b)(12) for not continuously reporting Committee debts and the circumstances of their extinguishment. You offer to pay a \$200 civil penalty in connection with this violation, and \$100 in connection with the former "violation".

The Committee still has not supplied the necessary debt settlement statements. When you met with staff attorneys in our offices, you were provided with an informational sheet on debt settlement statements to aid you in complying with 2 U.S.C. § 434(b)(12). Unfortunately, all that was sent to this Office were letters acknowledging these outstanding Committee debts.

79240162633

Because of the above factors and the unusually disorganized and incomplete Committee records in this campaign, an offer to pay a \$300 civil penalty when a \$5,000 civil penalty was assessed, and to admit to only a "possibility" of two violations when the Commission found reasonable cause to believe the Committee committed five violations of the Federal Election Campaign Act of 1971, as amended, is not an acceptable counter proposal. If you intend to continue conciliation efforts, or to sign the conciliation agreement and pay the civil penalty, you must contact Ms. Marsha Gentner, the attorney assigned to this matter, within five(5) days of your receipt of this letter. If you do not, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

If you have any other questions concerning the conciliation agreement, please contact Ms. Gentner at (202)523-4073. We look forward to hearing from you.

Sincerely,

William C. Oldaker
General Counsel



R. H. SWEARENGIN INSURANCE

PHONE 924-0341 301 WEST MAIN DURANT, OKLAHOMA 74701

79 FEB 26 PM 2:44

RECEIVED
FEDERAL ELECTION
COMMISSION

581

901033

February 23, 1979

Ms. Marsha Gentner
Legal Department, Federal Election Commission
1325 K. Street, N. W.
Washington, D. C. 20463

Dear Ms. Gentner:

I have not heard from you since I sent in the last letter
and made an offer of settlement.

I am leaving the country tomorrow and will not be back
until about March 15, 1979.

I do want to continue negotiations with you on this matter
and will be in touch with you when I return.

Yours very truly,

R. H. Swearengen
R. H. Swearengen, Treasurer
Ward for Congress Committee

RHS:DR

RECEIVED 64:12

CONFIDENTIAL

RECEIVED





R. H. SWEARENGIN
INSURANCE
301 West Main
DURANT, OKLAHOMA, 74701



FEB 26 PM 2:44

FEDERAL ELECTION
COMMISSION

Ms. Marsha Gentner
Legal Department, Federal Election Commission
1375 K. Street, N. W.
Washington, D. C. 20463

79040162635

Stipe, Gossett, Stipe & Harper

P.O. Box 53567 • 2915 Lincoln Blvd. • Oklahoma City, Oklahoma 73105 • 405/524-2268

RECEIVED
FEDERAL ELECTION
COMMISSION ATTORNEYS AT LAW

Gene Stipe
Richard L. Gossett
Clyde Stipe
Eddie Harper
Carl Hughes
John B. Estes
Roger O. Housley
Robert McCune

79 MAR 2 PM 12:26

9071108

February 8, 1979

Ms. Marsha Gentner
1325 K Street, N. W.
Washington, D. C. 20463

Dear Ms. Gentner:

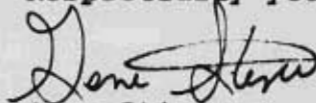
At this time I am not in a position to agree to the proposed Conciliation Agreement, as I would not at any time agree to or knowingly become a party to a violation of the election code.

From talking to Mr. Swearingin, there has developed some confusion about the \$8,000.00 note, but as I told you in previous correspondence, I signed the note in blank with the complete understanding that it would be guaranteed by at least ten people and that no one would be obligated to pay more than one-tenth of the \$8,000.00.

I have discussed this matter with Mr. John Massey and he had a similar understanding to mine. In view of this, I would hope that you would forego any further action on this matter.

I want to assure you, on behalf of myself and on behalf of Mr. Massey, that we stand ready to do anything we can to clarify this matter.

Respectfully yours,


Gene Stipe

GS:gb

19 FEB 30 6 5:21

Stipe, Gossett, Stipe and Harper

ATTORNEYS AT LAW

Law Office Bldg.

323 E. Carl Albert Pkwy.

Post Office Box 5

McAlester, Oklahoma 74501

State of Oklahoma
OFFICIAL MAIL
PRIVATE USE ILLEGAL
HB 1724 (1976)



92:21 PM 7 MAR 67

Mrs. Marsha Gentner
1325 K Street N. W.
Washington, D. C. 20463

RECEIVED
MAR 13 1976
U.S. DEPT. OF JUSTICE



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO

CHARLES STEELE

FROM:

MARJORIE W. EMMONS *MWE*

DATE:

FEBRUARY 27, 1979

SUBJECT:

MUR 581 - Interim Conciliation Report
Dated 2-23-79; Received in OCS Friday,
2-23-79, 4:33

The above-named document was circulated on a 24
hour no-objection basis at 1:00, Monday, February 26, 1979.

The Commission Secretary's Office has received
no objections to the Interim Conciliation Report as of
2:00 this date.

79040152638

February 23, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 581

Please have the attached Interim Council Report
on MUR 581 distributed to the Commission.

Thank you.

79040132639

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of)

Ward for Congress Committee)

MUR 581

79 FEB 23 P 4: 33

INTERIM CONCILIATION REPORT

On December 21, 1978, the Commission found reasonable cause to believe the Ward for Congress Committee ("the Committee") violated 2 U.S.C. §§ 437b(a)(1); 432(c) and 434 (b)(2)(9) and (11), and reasonable cause to believe John Massey, Eugene Stipe, and Rector Swarengin violated 2 U.S.C. § 441a(a)(1)(A). Conciliation agreements were sent to these four respondents.

Members of the staff have met twice with Mr. Rector Swarengin on behalf of himself and as treasurer of the Committee. Conciliation efforts are still in progress with respect to these two respondents.

Neither Mr. Stipe nor Mr. Massey has responded, and the staff has been unable to contact them by phone. A letter has been sent to each of these two respondents informing them that they must contact this office within five days in order to continue conciliation. If one or both of them do not contact this office within that time, a further recommendation with regard to these two respondents will be submitted to the Commission.

Date

2/23/79

William C. Oldaker
General Counsel

by Gary Johnson

79040162640



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 16, 1979

Mr. Michael L. Reed
1776 F Street N.W.
Washington, D.C. 20006

Re: MUR 581

Dear Mr. Reed:

Enclosed please find an informational sheet on debt settlement requirements, a copy of which has previously been given to Mr. Rector Swearingin.

As you will note, any debt settlement statement submitted must be approved by the Commission or the debt settlement may be found to be a corporate contribution in violation of 2 U.S.C. § 441b(a).

If you have any questions concerning this or any other matter, please contact Ms. Marsha Gentner at (202) 523-4060.

Sincerely,

A handwritten signature in dark ink, appearing to read "William C. Oldaker", is written over the word "Sincerely,".

William C. Oldaker
General Counsel

Enclosure

79040162641



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 16, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
c/o Durant Enterprise
600 Montgomery Drive
Durant, Oklahoma 74701

Re: MUR 581

Dear Mr. Massey:

On December 26, 1978, you received a letter from this Office notifying you of the Federal Election Commission's finding of reasonable cause to believe you violated 2 U.S.C. § 441a(a)(1)(A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000. That letter was accompanied by a conciliation agreement, to be signed and returned within ten days and implemented in not less than thirty days if you agreed to accept it as settlement of this matter.

An attorney from this Office has tried to contact you by telephone but was not able to reach you. More than thirty days have elapsed since your receipt of these materials, and this matter still has not been resolved. If you intend to sign the conciliation agreement, you must do so and send it to this Office along with a check in the amount of the civil penalty, within five days. If you cannot agree to the terms of the agreement, your reasons must be expressed within the same time. If you do not, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

If you have any questions concerning the conciliation agreement, please contact Ms. Marsha Gentner, the attorney assigned to this matter, at (202) 523-4060.

Sincerely,

William C. Oldaker
General Counsel



79040162643

M 581 M 6

PS Form 3811, Feb. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" section on reverse.

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☒ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
John Massey

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
438024

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Sam Boudin

4. DATE OF DELIVERY POSTMARK
9/26/79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO 1977-0-243-586



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 16, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Eugene Stipe
Post Office Box 5
McAlester, Oklahoma 74501

Re: MUR 581

Dear Mr. Stipe:

On December 26, 1978, you received a letter from this Office notifying you of the Federal Election Commission's finding of reasonable cause to believe you violated 2 U.S.C. § 441a(a)(1)(A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000. That letter was accompanied by a conciliation agreement, to be signed and returned within ten days and implemented in not less than thirty days if you agreed to accept it as settlement of this matter.

An attorney from this Office has tried to contact you by telephone but was not able to reach you. More than thirty days have elapsed since your receipt of these materials, and this matter still has not been resolved. If you intend to sign the conciliation agreement, you must do so and send it to this Office along with a check in the amount of the civil penalty, within five days. If you cannot agree to the terms of the agreement, your reasons must be expressed within the same time. If you do not, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

If you have any questions concerning the conciliation agreement, please contact Ms. Marsha Gentner, the attorney assigned to this matter, at (202) 523-4060.

Sincerely,

William C. Oldaker
General Counsel



57923100002

581 Genter

PS Form 3871, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☐ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY Show to whom and date delivered.
☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery.
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Mr. Rector Swearengin
 301 West Main Street
 Durant, Oklahoma 74701

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 943370

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent
 DATE OF DELIVERY 8-6-79 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

PSN 1977-0-248-505

581 Genter

PS Form 3871, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☐ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY Show to whom and date delivered.
☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery.
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: Mr. Eugene Shoo
 Post Office Box 5
 McAlester, Oklahoma

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 943373

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent
 DATE OF DELIVERY 8-6-79 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

PSN 1977-0-248-505

581 Genter

PS Form 3871, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☐ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY Show to whom and date delivered.
☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery.
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: Mr. John Massey
 c/o Durant Enterprise
 600 Montgomery Drive
 Durant, Oklahoma 74701

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 943371

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent
 DATE OF DELIVERY 8-6-79 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

PSN 1977-0-248-505

79040162646

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1/6 M 58/

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☒ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY Show to whom and date delivered.
☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery.
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Eugene Stipe

3. ARTICLE DESCRIPTION:
 REGISTERED NO. *438025* CERTIFIED NO. INSURED NO.
 (Always obtain signature of addressee of article)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent
R. L. Smith

DATE OF DELIVERY
2-26-79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE

POSTMARK
 1979
 FEB 26

CLERK'S INITIALS
W

☆GPO 1977-0-240-000

WARD FOR CONGRESS COMMITTEE
R. H. SWEARENGIN, TREASURER
Box 26 - Durant, Oklahoma 74701

587 9316
RECEIVED
FEDERAL ELECTION
COMMISSION

January 26, 1979

'79 FEB 12 AM 10:35

REGISTERED - RETURN RECEIPT REQUESTED

900800

Gentlemen:

In July we wrote to you advising that the Ward for Congress Committee had been asked by the Federal Election Commission to document certain expenditures made by the Committee during Charles L. Ward's campaign for Congress in 1976. We asked that you verify our payment to you of \$1,821.12, which you kindly did.

We now find that the Federal Election Commission needs verification for the following check:

<u>Check date</u>	<u>Amount</u>	<u>Purpose</u>
9/8/76	\$2,276.40	Newspaper advertising

We will appreciate your checking your records to verify this payment and signing and returning to us the verification statement at the bottom of this letter. We also need copies of any invoices that might be available to you.

Thank you very much for your assistance.

Sincerely,

R. H. Swearengen
R. H. Swearengen, Treasurer

I certify that, as best I can determine, the above payments were made to me by the Ward for Congress Committee.

(signature)

Bill Stang Sales Rep.

Oklahoma Press Service
3601 Lincoln Boulevard
Oklahoma City, Oklahoma 73105

79040162647

79040102



Ms. Masha Gentrer
Federal Election Commission
1325 K Street, Northwest
Washington, D.C. 20463

CHARLES L. WARD

RECEIVED
FEDERAL ELECTION
COMMISSION

for

U.S. CONGRESS / 9 FEB 2 P 2: 02

January 30, 1979

Ms. Marsha Gentner
1325 K. Street N.W.
Washington, D.C. 20463

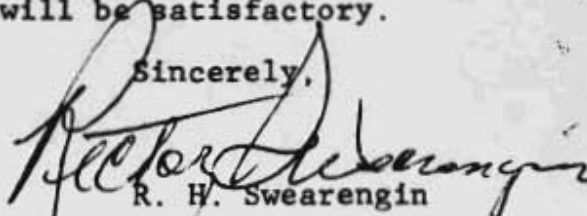
Dear Ms. Gentner:

You list five checks and do not have an explanation for what they were used for.

1. Check # 272 written for Petty Cash was for headquarters expenses. Paper clips, rubber bands, pencils, ect. We have an envelope of the small sales of even 25 cents.
2. Check #283 written 9-9-76 was for Petty Cash our records show this was for cokes and coffee at headquarters. You see, we had from six to fourteen people working there and the campaign furnished cokes and coffee. These were volunteer workers.
3. Check # 289 written 9-10-76 shows to be used by Hank Ryan, Troyce McGovern and a delegation of some 30 people attending the County Fair at Chandler, Oklahoma some 125 miles north.
4. Check # 305 written 9-15-76 shows cash for David Quisenberry a union worker from McAlester to pay his workers to hand our pamphlets ect., we show they were paid on the basis of \$2.30 per hour.
5. Check # 311 written 9-18-76 shows cash for David Quisenberry the same union workers from McAlester for the same purpose as Check # 305. I have signatures from the workers for Check # 305, but I do not have them for Check # 311.

I hope this explanation will be satisfactory.

Sincerely,


R. H. Swearingin

RHS:ck

Ward for Congress Committee - R. H. Swearingin, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

79040162649

Gee
9226

900635

79040162650
R. H. SWEARENGIN
INSURANCE
301 West Main
DURANT, OKLAHOMA, 74701



79 FEB 2 P2:02

Ms. Marsha Genter
1325 K. Street N.W.
Washington, D.C. 20463

Good 9166
FEDERAL ELECTION COMMISSION
CHARLES L. WARD

for

U.S. CONGRESS

'79 JAN 29 PM 3:20

P. O. Box 26
Durant, OK 74701

Ms. Marsha Gentner
1325 K. Street N.W.
Washington, D. C. 20463

900513

Dear Ms. Gentner:

Re: MUR 481 (78)

In connection with the above file, I enclose a copy of the bank statement of the Ward for Congress account, showing that a deposit of \$8000.00 was made on September 21, 1976 (on the afternoon of Election Day). Also enclosed is a statement on October 27, 1976 showing that the \$8000.00 was repaid.

This deposit in September was in the form of a note signed by Gene Stipe, John Massey and Rector Swearengin and was made with the understanding that at least ten persons would endorse the note with each sharing one-tenth of the liability. September 21st was election day and the note was placed in the account after the campaign was finished.

When the report came in that the election had been lost by Charles Ward, we could get no other signatures on the note. No one wanted to admit that they had supported the losing candidate. We decided this money could not be used for payment of debts so the note was repaid.

The statement will show the account was never below \$9,787.20, showing that none of the money was used. I do not feel that a violation was made since the note was repaid, leaving many bills unpaid.

I do not feel that since the note was made after the campaign and was never used, I should be expected to sign the conciliation agreement placing the penalty on me in the amount of \$250.00. I feel that the enclosed evidence shows that we were trying to abide by the election laws.

I hope that this explanation is sufficient to enable you to agree with me in this matter.

Sincerely,

Rector H. Swearengin
R. H. Swearengin

RHS:DR

Ward for Congress Committee - R. H. Swearengin, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

79040162651

The
FIRST NATIONAL BANK

IN DURANT

DURANT, OKLAHOMA
74701

ARTHUR G. ALEXANDER
SENIOR VICE PRESIDENT
& CHIEF EXEC. OFFICER

November 20, 1978

Ms. Marsha Gentner
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Ms. Gentner:

Re: Loan--Ward for Congress Committee, Rector Swearingin, Treas.

Mr. Swearingin has asked us to notify you concerning the \$8,000 note made to the Ward for Congress campaign. After the note was drawn, the money was placed in the account with the understanding that there would be a number of co-signers for it. It would seem that the loss of the election for Charles Ward changed the attitude of the folks who had agreed to co-sign.

The decision was made by the Treasurer that this money should be returned to the bank, and our records show that the money was not used to pay any of the expenses for the above campaign.

Very truly yours,

Arthur G. Alexander
Arthur G. Alexander
Senior Vice President and
Chief Executive Officer

AGA:bw

79040162652

FIRST NATIONAL BANK

IN DURANT

ZW

DURANT, OKLAHOMA
74701

SHEET
NUMBER

1

MEMBER FDIC

ACCOUNT NUMBER

0 932 133

WARD FOR CONGRESS
RECTOR SWEARENGIN, TREAS.
BOX CW
DURANT, OKLA.

6989

74701

DATE LAST STATEMENT 09 30 76	NUMBER 14	NUMBER 17	DATE THIS STATEMENT 10 30 76
BALANCE LAST STATEMENT 11.627.53	AMOUNT CHECKS DEBITS 9.609.02	AMOUNT DEPOSITS CREDITS 4.900.89	SERVICE CHARGE .00
	LESS	PLUS	EQUAL
			BALANCE THIS STATEMENT 7.063.40

Pay 20-00027

CHECKS AND OTHER DEBITS

DEPOSITS AND
OTHER CREDITS

DATE

BALANCE

136.71

225.77

95.40

377.20

32.00

110.55

53.00

503.04

5.25

9.39

19.69

18.34

8,100.00

21.60

Paid off

220.00

892.12

100.00

60.00

1,574.00

110.00

10.00

110.00

100.00

100.00

250.00

100.00

115.00

1,000.00

50.00

20.00

93.77

09 30

10 01

10 04

10 05

10 06

10 08

10 12

10 12

10 13

10 14

10 15

10 18

10 18

10 19

10 21

10 22

10 25

10 26

10 27

10 29

11.687.53

11.907.53

12.662.94

12.762.94

12.597.17

13.698.49

13.808.49

13.816.49

13.895.49

13.995.49

13.984.94

14.181.94

14.281.94

13.976.90

14.067.05

15.057.66

15.037.97

15.064.03

6.984.63

7.063.40

*CR #350 - 473.33
351 99.85
352 3500.00
Total 4066.18
Bal 3312.99*



FIRST NATIONAL BANK

IN DURANT

ZW

DURANT, OKLAHOMA
74701

FULL SHEET

SHEET
NUMBER

1

MEMBER F.D.C.

ACCOUNT NUMBER

1

0 932 133

WARD FOR CONGRESS
RECTOR SWEARENGIN, TREAS.
BOX CW
DURANT, OKLA.

74701

DATE LAST STATEMENT	NUMBER CHECKS	DATE THIS STATEMENT
BALANCE LAST STATEMENT	AMOUNT CHECKS & DEBITS	AMOUNT DEPOSITS & CREDITS
LESS	PLUS	LESS
		SERVICE CHARGE
		EQUAL
		BALANCE THIS STATEMENT

CHECKS AND OTHER DEBITS

DEPOSITS AND
OTHER CREDITS

DATE

BALANCE

32.24	100.00	128.04	1,085.00	08 31	15,471.94
113.50	130.00	650.00	1,365.00	09 01	16,296.68
21.73	50.75	66.80	700.00	09 02	16,768.18
99.96	1,857.80			09 03	17,328.96
20.00	46.20	75.00	3,230.00	09 03	15,371.14
80.23	237.30	5,000.00		09 07	18,459.94
10.00	79.84	150.00	2,610.00	09 07	13,142.41
1,821.12				09 08	15,512.57
30.00	141.12	3,000.00	3,285.00	09 08	13,691.45
20.00	36.74	47.32	1,740.00	09 09	13,805.33
42.25	93.90	441.77	1,015.00	09 10	15,439.27
822.00			1,015.00	09 10	15,850.35
18.41	34.65	37.70	1,865.00	09 10	15,028.35
47.12	50.56	67.42	655.00	09 13	16,882.55
99.42	100.00			09 13	17,241.45
26.92	48.72	54.08	1,160.00	09 13	17,092.05
2,276.40				09 14	18,122.29
24.25	200.00	400.00	4,875.00	09 14	15,845.89
13.10	19.66	28.60	2,520.00	09 15	20,096.64
142.80	200.00	387.60		09 16	22,555.28
597.00	900.00	902.70		09 16	21,824.88
2,571.40				09 16	19,425.16
98.75	120.01	600.00	1,615.00	09 16	16,853.78
842.40	893.87	2,011.00		09 17	17,650.52
2,975.00				09 17	13,903.25
2.28	32.50	33.00	2,450.00	09 17	10,928.25
51.28	52.80	105.31		09 20	13,310.47
113.88	200.00	3,000.00		09 20	13,101.08
17.95	75.00	75.00	8,000.00	09 20	9,787.20
294.00	322.40	340.00	320.00	09 21	17,619.25
				09 21	16,482.85

Note

LEA

PLEASE EXAMINE THIS STATEMENT PROMPTLY. REPORT ANY DIFFERENCE TO THE AUDITING DEPARTMENT.

FIRST NATIONAL BANK

IN DURANT

28

DURANT, OKLAHOMA
74701

1 30

SHEET
NUMBER

2

MEMBER FDIC

ACCOUNT NUMBER

2

0 932 133

WARD FOR CONGRESS
RECTOR SWEARENGIN, TREAS.
BOX CW
DURANT, OKLA.

9787

74701

DATE LAST STATEMENT 09 30 74	NUMBER 413	NUMBER 24	DATE THIS STATEMENT 09 30 74
BALANCE LAST STATEMENT 15,471.96	AMOUNT CHECKS-DEBITS 46,704.73	AMOUNT DEPOSITS-CREDITS 42,929.30	BALANCE THIS STATEMENT 11,687.53
<p>LESS → PLUS → LESS → EQUAL</p>			

CHECKS AND OTHER DEBITS


DEPOSITS AND OTHER CREDITS

DATE

BALANCE

494.89 -	533.60 -		100.00	09 21	16,982.85
17.23	17.83	20.00	485.00	09 22	16,054.36
34.40 -	43.90	80.64	225.00	09 22	16,484.30
100.00	300.00 -	450.00		09 22	16,550.36
662.74 -	770.00 -			09 22	15,700.36
10.83 -	19.20	28.60		09 22	14,267.62
55.20	55.22	69.03		09 23	14,208.99
19.20	19.80	100.00	400.00	09 23	14,029.54
19.50	19.55	150.00	275.00	09 24	14,290.54
19.50	35.62 -	65.00		09 27	14,376.49
81.36	161.18	221.40		09 28	14,256.37
20.00	4,000.00		2,475.30	09 28	13,792.43
428.40 -	601.80 -		470.00	09 29	12,247.73
				09 30	11,687.53

79040162656



R. H. SWEARENGIN
INSURANCE
301 West Main
DURANT, OKLAHOMA, 74701



79 JAN 29 PM 3:20

Ms. Marsha Gentner
Federal Election Commission
1325 K. Street, N. W.
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *ynwe*
DATE: JANUARY 22, 1979
SUBJECT: MUR 581 - Interim Conciliation Report
dated 1-19-79, Received in OCS
1-19-79, 12:27

The above-named document was circulated on a 24
hour no-objection basis at 4:30, January 19, 1979.

The Commission Secretary's Office has received
no objections to the Interim Conciliation Report as of
5:00 this date.

79040162657

January 18, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 581

Please have the attached Interim Concil Report
on MUR 581 distributed to the Commission.

Thank you.

79040162658

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of)

79 JAN 19 PM 12: 27

Ward for Congress Committee,)
et al)

MUR 581

INTERIM CONCILIATION REPORT

On December 21, 1978, the Commission found reasonable cause to believe the Ward for Congress Committee ("the Committee") violated 2 U.S.C. §§ 437b(a)(1), 432(c), 434(d)(2), (8), (9), (11, 441a(f), and 434(b)(12) and reasonable cause to believe that Eugene Stipe, Rector Swearingin, and John Massey violated 2 U.S.C. § 441a(a)(1)(A). Conciliation agreements were sent to these four respondents.

All four respondents received their conciliation agreements on December 26, 1978. The treasurer of the Committee has written to say he will send us some sort of response shortly after the New Year. The other three individual respondents have not yet contacted this Office. If none of the respondents replies within the week, efforts will be made to contact them personally so that conciliation efforts may be made.

Date

1/19/79

William C. Oldaker
General Counsel

79040162659

RECEIVED
FEDERAL COLLECTION
COMMISSION

LIVESTOCK BREEDERS INTERNATIONAL INC.

P.O. BOX 81
RUBOTTON, OKLAHOMA 73457

PHONE 405-276-8998 OR 405-276-3898

79 JAN 8 AM 10:40

JAMES E. DULA, JR., PRESIDENT

RE: MUR 581 (78)

Mr William Oldaker,

900065

I'm very sorry That This has
gone so far. This a family Corporation
and I had No idea I was breaking
any laws.

Mr. Ch. Ward has sent me a
check made out to L B I inc, & I
have deposited The check back to the
Corporation.

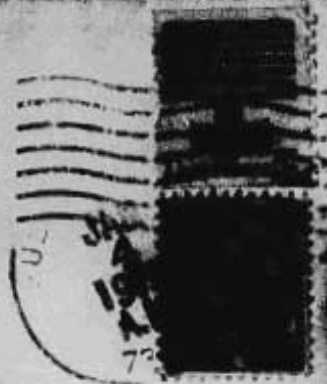
Thank you for your consideration,

Sincerely,
Jim Dula

79040162660

JAMES E. DULA, JR.

P. O. BOX 61
RUBOTTOM, OKLAHOMA 73457



MR. William Oldaker
Federal Election Comm.
1325 K Street N.W.
Washington, D.C.
20463

R. H. SWEARENGIN INSURANCE AGENCY

Insurance and Bonds

12-28-78

301 West Main

6033

Durant, Oklahoma 74701

Mr William C. Olaker
Federal Election Commission
1325 K St N.W.

FEDERAL ELECTION
COMMISSION

R. H. Swearingin

'79 JAN 3:11

Washington D.C. 20463


Dear Mr Olaker:-

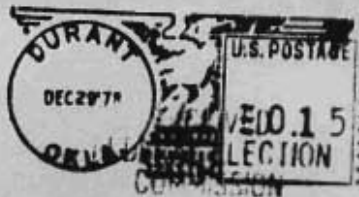
808760

I acknowledge receipt of your letter
which I received on December 26, 1968
In a few days after the new year I
will give you a reply.

Sincerely
Rector Swearingin

79040162563

 R. H. SWEARENGIN
INSURANCE
301 West Main
DURANT, OKLAHOMA, 74701



'79 JAN 2 PM 3:11

Mr William C Oldaker
Federal Election Comm.
1325 K St N.W.
Washington, DC 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION

79 JAN 1 AIO: 39

December 1, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Michael L. Reed
Ward for Congress Committee
1776 F Street, N.W.
Suite 303
Washington, D.C. 20006

900595

Re: MUR 581 (78)

Dear Mr. Reed:

This letter is in response to your request on behalf of Mr. Swearingin, Treasurer of the Ward for Congress Committee, for an extension of time to respond to the letter of notification of a finding of reason to believe the Committee committed certain violations of the Federal Election Campaign Act of 1971, as amended. Because the Committee has had ample time, including a previous 30 day extension, to submit any requested or additional materials to the Commission, another extension will not be granted at this time.

If you have any questions concerning this or any other matter, please contact Ms. Marsha Gentner, the attorney assigned to this matter, at (202) 523-4060.

Sincerely,

William C. Oldaker
General Counsel



79040162664

79040152665

RECEIVED
FEDERAL ELECTION
COMMISSION

CHARLES L. WARD

for

U.S. CONGRESS

79 JAN 1 AID: 39

January 28, 1979

Re: MUR 581 (78)

Ms. Marsha Gentner
1325 K. Street N. W.
Washington, D. C. 20463

Dear Ms. Gentner:

I feel the one mistake I made in this Campaign was not spending the full five days with the Audit in my office. It would have probably saved my trips to McAlester and Tulsa getting the statements from the last accounts I settled along with some other items in question.

You refer to me as the Principal Campaign Committee. Let me explain how I became involved and just what my duties were.

Mr. Charlie Ward decided to enter the race for Congress about June 16, 1976 which was only a few days more than 60 days until the Primary. Up to this time, there had been no plans made nor any kind of organization. Mr. Ward had been the Assistant to Congressman, Carl Albert from the 3rd District in Oklahoma for the past 20 years, six of those years Mr. Albert was Speaker of The House of Representative. After Mr. Ward decided to run, he called me asking if I would serve as his Treasurer for the Campaign. After some three or four days and talking to my friends about whether I should or not, I told him I would serve but my time was so limited. I started to work setting up the headquarters.

I was told Mr. Don Dage of Walters, Oklahoma, would be the manager. In a few days about June 28th, Mr. Ward came to Durant to start his Campaign. Mr. Dage, Mr. Ward and I met to discuss the organization. The next day Mr. Dage was notified of a serious illness in his family which illness in a short time resulted in death. He then notified Mr. Ward he could serve no longer. He was not replaced and since Mr. Ward had been so active for so many years in all of the Counties, Volunteers began handling the Campaign in small groups without

Ward for Congress Committee - R. H. Swearengen, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

CHARLES L. WARD

for

U.S. CONGRESS

any leader or organization. The headquarters in Durant sent out letters setting out things to be done in order to follow the law. In the first District Meeting this was gone over again.

A Mr. Webber from Tulsa was sent to Durant for two days, July 1st, to set up the books for the campaign and to show how reports were to be made. He had had experience in keeping the books in another Federal Election. The bookkeeper who kept the books for the first three weeks instructed us daily on getting reports to her in order that we would not be in violation.

It has been a common practice in campaigns for small groups and factions to get together collect money, buy ads for Radios, Newspapers, buy hand bills, ect. This seemed to be their Privilege to do this for their Candidate. They would also establish their own bank account, spend the money with their own County paper hire workers who were their friends, ect. It appears this is one violation I am charged with, both on Money Collected and not reported and also small bank accounts established and not reported. There were some three or four bank violations and some five or six violations of Money Collected and spent locally. This happend in spite of all our efforts to get the reports and the Money to the Central Office. When the election was lost no ammount of effort could then get these reports. Many phone calls were made to County Officials, Bank Officers, to get the final information, but with little results. They said we lost the election, so what. I finally got in my car and drove to other counties to get reports, bank statements, ect., that could have been mailed to me weeks before.

If this is a strick violation caused in a techinal sense maybe it is according to the law, it would take enforcment by law in each County and Town in this Dristict. Would you expect me to sign an agreement that this violation was chargeable to the Committee?

We tried to report all receipts and expenditures as they were reported to us. In some of our reports on cash we only showed Miscleanous Collections. We could not identify the cash donors since they came from public meetings where some one simply passed the hat and turned in what was collected. Now as to the total receipts and expenditures, everything that was collected regardless of how small, was deposited in the

Page 2

Ward for Congress Committee - R. H. Swearengin, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

79040162666

CHARLES L. WARD

for

U.S. CONGRESS

Ward for Congress account. When the Money was disbursed the check showed the purpose of with drawel and the number of the check was placed on the bill being paid. Even when we drew \$10 or \$20 for office petty cash we kept the small sales slips on a twentyfive cent purchase in an envelope.

Now as to Criticism on failure to get receipt for numerous bills and accounts. Most of these were in other Counties and Towns and the cancelled checks showed that they were accepted as payment for the account. The account that was paid also showed the check number one account of four checks paid to Cora McLain showing no receipts in the file. She is a lady who had worked for me in the Insurance office for 27 years. She was retired so we employed her to answer the phone at headquarters. Everybody knew here in this area and we were suprised to get this criticism. Many of the accounts where no receipts were shown were radio stations, newspapers and such. It would have been very unusual to try to falsify an account such as this, when the bill was clearly shown and the payment by check was recorded and the check number recorded on the bill.

Now as the debts you show unpaid. I had instructed the headquarters daily about our budget and how much money we could spend. I even held a meeting on Friday before the election on Tuesday telling them that we could spend no more than \$4000.00, the last four days of the run off. So on Election day I get calls about orders that had been made by unions and charged to the Ward Campaign. One of these came from the Impress Printing Co. in McAlester saying an order had been made for \$4,393.31, and had been delivered on Saturday. I almost denied this claim because it was not authorized and not needed. After thinking it over, I finally agreed that since it was in the intrest of the Campaign and since it was the home town of Speaker Albert for whom Mr. Ward had worked so long, we should make every effort to pay it. This caused the \$8,000.00 note to be made. I have answered this in a letter of 1-26-79. The man who made this order was also owner of KNED. You show in your audit that this account of \$278.00 was never paid. A call from Mr. Stipe in regard to the \$4393. and the \$278.00 resulted in an agreement that if we would send \$3500.00 these accounts would be satified. This we did and you have enclosed receipts and statement from Impress and KNED. The three people envolved in this were Wayne, Frances and Gene Stipe. Our check number was 352 dated 10-26-76.

Page 3

Ward for Congress Committee - R. H. Swearingin, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

79040162667

CHARLES L. WARD

for

U.S. CONGRESS

79040162668

In regard to the McAlester Democrat and the McAlester Publishing Co., we received a statement showing we owed \$1170.94. I called Mr. Clark Bass, President of First National Bank in McAlester to see if we could get them to reduce their costs to us. He called me later saying if we could pay them \$1000.00 they would be completely satisfied. I believe your records show that the one account to the Democrat was \$897.00 and a payment of \$597.00 had been made leaving a balance of \$300.00. This we failed to make clear in our report. Our check was number 355, was in the amount of \$1000.00 and Mr. Fred Turner was manager, Mr. Bass talked to. Enclosed is a copy of the letter from Mr. Bass and a statement from the Democrat and New's Capital that all accounts are paid. This was not made clear in my report. The McAlester Publishing The McAlester News Capital and McAlester Democrat have now merged.

The \$2068.00 to McAlester was an old statement that was paid from another statement. I cannot explain just how since it has been so long but they show no unpaid bills.

The next account was Central Process and Sales of Tulsa, Oklahoma. This was an account not authorized by me. The labor people ordered \$6328.14 in additional printing on the Eve of the election. The records show that all accounts were paid to Central Process on 9-19-76. They were checks number 315 in the amount of \$601.80 and check number 316 in the amount of \$428.40. Then came the question of whether this account was to be honored by the treasurer. After consideration and several phone calls, we decided to pay them as far as we could. This was the same problem as we had encountered with the Impress. We had paid \$3500.00 on Impress. On February 19, 1977 after talking to Mr. Jerry Ragsdale owner, I sent him check number 362 in the amount of \$25000.00. I had thought I could raise the balance from the Ward supporters. This balance was \$3828.44. This was impossible, no one had any interest in a campaign that was lost. When nothing more could be done I wrote a check in the amount of \$666.06 the last check written number 365 and Purchased a cashier's check with it sending it to Central Process. This left \$3162.48. When the Latimore County closed their account, they sent the treasurer a check for \$71.40 which I endorsed to Central Process leaving a balance of \$3090.98 which is still owed.

Page 4

Ward for Congress Committee - R. H. Swearingin, Treasurer
P.O. Box C W - Durant, Oklahoma 74701

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463

CHARLES L. WARD
for
U.S. CONGRESS

I enclosed the following statements:

1. KNED Radio McAlester
2. New's Captiol, McAlester Democrat and McAlester Publishing Co.
3. Impress Color Printers
4. Central Process and Sales Tulsa
5. Letter from Central Process
6. Letter from Clark Bass concernig the Democrat.

There are two violations which I may be guilty of. The first one being 32 receipts which I did not have. Most of these were out of town and could only be secured by much time and travel.

The second one was the final reports and the settlement of debts. All of this being after the campaign, we had lost the election and I could get no cooperation from anymore. I even lost the bookkeeper and could not get anyone trained to make the reports and how I had made an effort to settle the debts satisfactory. I had tried to give you a complet report and the truth of this campaign. I do not know how I could have done it anyother way. I have traveled over 600 miles by car, made the trip to Washington to appear before you. I have tried to supply you with all the answers at my own expenses which is not small.

I do not feel that my penalty for failure to get receipts should be more than \$100.00.

Now for the final reports, I feel that my penalty should be no more than \$200.00

I certainly hope this is sufficent for the closing of this audit.

Respectfully submitted,

Rector Swearingin
Rector Swearingin
Treasurer

Ward for Congress Committee — R. H. Swearingin, Treasurer
P.O. Box C W — Durant, Oklahoma 74701

79040162669



News-Capital & Democrat

A PARK NEWSPAPER

ANTHONY A. ALLEGRETTI
General Manager

FRED. G. TURNER
Editor & Publisher

Wm. J. EDWARDS
Director of Marketing

January 22, 1979

Rector Swearengin:

All accounts have been satisfactorily settled in the
Charlie Ward for Congress campaign and we show no outstanding
debts at this time.

Jeanetta A. Cook

Jeanetta A. Cook
Business Manager

79040162670

Adm

1150

KNEED

JOM

101.3

PHONE 423-1460

P. O. BOX 1088

McALESTER, OKLAHOMA 74501

FRANCIS D. STIPE,
PRESIDENT AND GENERAL MANAGER

January 22, 1979

Rector Swearingin

Treasurer

Charles Ward Campaign for Congress

This is to advise you that all accounts owed to us by the above
campaign treasurer including the \$278.00 have been paid and this
letter will serve as a receipt as required by law.

Francis D. Stipe

Francis D. Stipe
President and General Manager

Southeastern Oklahoma's Most Powerful Station

79040162671

Impress color press


LARGEST PRINTING WORKS IN SOUTHEASTERN OKLAHOMA

JANUARY 22, 1979

RECTOR SWEARENGIN
TREASURER
CHARLES WARD CAMPAIGN FOR CONGRESS

I AM HEREBY VERIFYING RECEIPT OF CHECK NO. 352 IN THE AMOUNT
OF \$3,500. THE CHECK WAS RECEIVED SHORTLY AFTER THE DATE
OF OCTOBER 26, 1976. THIS ACCOUNT WAS NOT AUTHORIZED BY THE
CHARLIE WARD CAMPAIGN TREASURER.

SINCERELY,


HI IMPSON
PRESIDENT

79040152672

476-0211

FIRST

NATIONAL BANK AND TRUST CO.
OF McALESTER



*WPAlesler Publishing
McAlester Democrat*

11-12-76

Recto✉r:

I talked to Fred Turner this morning and he said he would be glad to settle the Ward acct for the \$1,000 you mentioned to Ken. He was glad to do this, 'and I am sure he is completely satisfied with this arrangement.

Best regards, I remain

sincerely,

Clark

79040152673

CENTRAL PROCESS
Printing Company, Inc.

550 WEST 41 STREET
P.O. BOX 9277
TULSA, OKLA. 74107

May 11, 1978

Mr. Charles Ward
1600 S. Eads
Apt. 1121 South
Arlington, Virginia 22202

Dear Charlie:

As you probably know by this letterhead, we are the ones who print the big majority of campaign material for the Oklahoma Congressional delegation. These printings included your material two years ago.

Our records reflect a balance due on your account in the amount of \$3,090.98.

Our auditor has requested that we clear our books for that period. Therefore, we need to know if plans are working for full or partial payment of your account.

Being as we have paid corporation taxes for that year...we would gladly settle .62¢ on the dollar.


We hope we hear from you soon.

Sincerely,


Jerry Ragsdale, Pres.

JR/jk

ALSO OFFICES IN OKLAHOMA CITY, OKLA.

and pressure-sensitive  marking decals

COMPLETE
SCREEN PROCESS
PRINTING

designers and
producers of
point of purchase
promotions

446-6631

48420

Edwood

2nd
E 4418

West
41st
Expt
Right
Overlook
Right
River Lake
Center

258-5182

Roger
4101st
Ming
664-8066

CENTRAL PROCESS
& sales company, inc.

Screen Process Printers

4842 S. ELWOOD • BOX 9277 • TULSA, OK 74107
(918) 446-0531

Rector Swearengin, Treasure
Ward For Congress
Durant, OK

Dear Mr. Swearengin:

This is to advise you that we did receive checks in the amount
of \$2,500,000, \$666.06, & \$71.40. These checks were in regard
to the Charles Ward Account.

The final check for \$71.40 resulted in a balance due of
\$3,090.98. The final check was received February 20, 1978,
and this is the present status of the account.


Jerry Ragsdale
President

JR/bh

1/23/79

LET US SAVE THE MONEY
THE LIFE CASUALTY AND SURETY
THE STANDARD FIRE INSURANCE

R. H. SWEARENGIN INSURANCE AGENCY
301 WEST MAIN STREET
DURANT, OKLAHOMA

FEDERAL ELECTION
COMMISSION

19 JAN 1 10:39

FIRST CLASS MAIL



Ms. Marsha Center
1325 K. Street N. W.
Washington, D.C. 20063



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James Dula, President
Livestock Breeders International, Inc.
Post Office Box 61
Rubottom, Oklahoma

Re: MUR 581 (78)

Dear Mr. Dula:

The Commission has voted to take no further action against Livestock Breeders International in the above captioned matter. However, the Commission continues to request that you acknowledge the receipt by the Ward for Congress Committee of the contribution from your corporation and the subsequent refund of that contribution in order to complete our files.

Sincerely,

A handwritten signature in cursive script, reading "William C. Oldaker", is written over the typed name.

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

79010152677

REGISTERED MAIL
RETURN RECEIPT REQUESTED

James Dula, President
Livestock Breeders International, Inc.
Post Office Box 61
Rubottom, Oklahoma

Re: MUR 581 (78)

Dear Mr. Dula:

The Commission has voted to take no further action against Livestock Breeders International in the above captioned matter. However, the Commission continues to request that you acknowledge the receipt by the Ward for Congress Committee of the contribution from your corporation and the subsequent refund of that contribution in order to complete our files.

Sincerely,

William C. Oldaker
General Counsel

19949162678

19040152600

CERTIFIED MAIL
RETURN REQUEST REQUESTED

Mr. Larry Allford
Box M
McAlester, Oklahoma 74501

Re: MUR 581 (78)

Dear Mr. Allford:

The Federal Election Commission has voted to take no further action against you concerning your contributions to the Ward for Congress Committee.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

cc: Ward for Congress Committee



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Eugene Stipe
P.O. Box 5
McAlester, Ok. 74501

Re: MUR 581 (78)

Dear Mr. Stipe:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1) (A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a) (5) (A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a) (5) (B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040162682

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☒ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Eugene Stipe

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
943441
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Lisa Stalling

4. DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

581 Gentner

☆GPO: 1977-0-249-585

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Eugene Stipe
P.O. Box 8
McAlester, Ok. 74501

Re: MUR 581 (78)

Dear Mr. Stipe:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1) (A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040162683

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Eugene Stipe

)
)
)

MUR 581 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. Eugene Stipe (hereinafter "the Respondent") has violated 2 U.S.C. § 441a(a)(1)(A).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. On September 20, 1976, the Ward for Congress Committee ("the Committee") received an \$8,000 loan from the First National Bank of Durant.
 - B. Respondent and two other individuals endorsed the \$8,000 loan to the Committee.

79010152684

C. The loan was repaid by the Committee on October 27, 1976.

WHEREFORE, Respondent agrees:

- A. That on September 20, 1976 the Ward for Congress Committee received \$8,000 as a loan from the First National Bank of Durant.
- B. That Respondent, with two others, endorsed the \$8,000 loan.
- C. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. § 431(e)(5).
- D. According to 2 U.S.C. § 431(e)(5), the Respondent contributed \$2,666.66 to the Ward for Congress Committee by endorsing, with two others, the \$8,000 bank loan to the Committee.
- E. 2 U.S.C. § 441a(a)(1)(A) prohibits contributions by an individual in excess of \$1,000 per principal campaign committee per election.
- F. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of \$1,000 to the Ward for Congress Committee.
- G. The Respondent will pay a civil penalty in the amount of \$250.

79010152685

- H. Respondent will now and in the future comply in all respects with the Federal Election Campaign Act of 1971, as amended.

V. General Conditions

- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- C. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

7200153686

- D. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

79040152687

Date

William C. Oldaker
General Counsel

Date

Eugene Stipe
Respondent



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
c/o Durant Enterprises
600 Montgomery Drive
Durant, Oklahoma 74701

Re: MUR 581 (78)

Dear Mr. Massey:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1) (A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a) (5) (A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a) (5) (B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
William C. Oldaker
General Counsel

Enclosure

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MAR 5 1978

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☐ Show to whom and date delivered
☒ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
 Show to whom and date delivered
☐ RESTRICTED DELIVERY
 Show to whom, date, and address of delivery
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Mr. John Massey

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 943438 *111111*
 (Always obtain signature of addressee or agent)

I have received the article described above
 SIGNATURE ☐ Addressee ☒ Authorized agent
Mr. Massey

4. DATE OF DELIVERY POSTMARK
 12-26-77

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

68929104066

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
c/o Durant Enterprises
600 Montgomery Drive
Durant, Oklahoma 74701

Re: MUR 581 (78)

Dear Mr. Massey:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1) (A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a) (5) (A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a) (5) (B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

John Massey

)

)

) MUR 581 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. John Massey (hereinafter "the Respondent") has violated 2 U.S.C. § 441a(a)(1)(A).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. On September 20, 1976, the Ward for Congress Committee ("the Committee") received an \$8,000 loan from the First National Bank of Durant.
 - B. Respondent and two other individuals endorsed the \$8,000 loan to the Committee.

79010162691

C. The loan was repaid by the Committee on October 27, 1976.

WHEREFORE, Respondent agrees:

- A. That on September 20, 1976 the Ward for Congress Committee received \$8,000 as a loan from the First National Bank of Durant.
- B. That Respondent, with two others, endorsed the \$8,000 loan.
- C. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. § 431(e)(5).
- D. According to 2 U.S.C. § 431(e)(5), the Respondent contributed \$2,666.66 to the Ward for Congress Committee by endorsing, with two others, the \$8,000 bank loan to the Committee.
- E. 2 U.S.C. § 441a(a)(1)(A) prohibits contributions by an individual in excess of \$1,000 per principal campaign committee per election.
- F. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of \$1,000 to the Ward for Congress Committee.
- G. The Respondent will pay a civil penalty in the amount of \$250.

79010152692

H. Respondent will now and in the future
comply in all respects with the Federal
Election Campaign Act of 1971, as amended.

V. General Conditions

- A. The Commission, on request of anyone filing
a complaint under 2 U.S.C. § 437g(a)(1), concerning
the matter at issue herein, or on its own
motion, may review compliance with this Agreement
If the Commission believes that this Agreement
or any requirements thereof have been violated,
it may institute a civil action for relief in the
United States District Court for the District of
Columbia.
- B. It is further agreed that this Conciliation
Agreement is entered into in accordance with
2 U.S.C. § 437g(a)(5)(A), and that this Agreement,
unless violated, shall constitute a complete
bar to any further action by the Commission with
regard to the matter set forth in this Agree-
ment.
- C. It is mutually agreed that this agreement shall
become effective as of the date that all parties
hereto have executed same and the Commission has
approved the entire agreement.

79010152693

- D. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

79010152694
Date

William C. Oldaker
General Counsel

Date

John Massey
Respondent



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin
301 West Main Street
Durant, Oklahoma 74701

Re: MUR 581 (78)

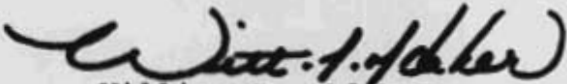
Dear Mr. Swearengin:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1) (A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a) (5) (A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a) (5) (B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,


William C. Oldaker
General Counsel

Enclosure

77010152695

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

15811 46

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
☐ Show to whom and date delivered
☐ RESTRICTED DELIVERY
☐ Show to whom, date, and address of delivery
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Rector Swearingen

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
943439
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent
Recler Swearingen

DATE OF DELIVERY *12-26-78* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS
TX

5010 1977-5-249-000

94929104066

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Robert Swearingin
301 West Main Street
Durant, Oklahoma 74701

Re: MUR 501 (78)

Dear Mr. Swearingin:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1) (A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. § 437g(a) (5) (A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a) (5) (B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

MB
12/4/77

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Rector Swearengin) MUR 581(78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that Mr. Rector Swearengin (hereinafter "the Respondent") has violated 2 U.S.C. § 441a(a)(1)(A).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. On September 20, 1976, the Ward for Congress Committee ("the Committee") received an \$8,000 loan from the First National Bank of Durant.
 - B. Respondent and two other individuals endorsed the \$8,000 loan to the Committee.

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C. The loan was repaid by the Committee on October 27, 1976.

WHEREFORE, Respondent agrees:

- A. That on September 20, 1976 the Ward for Congress Committee received \$8,000 as a loan from the First National Bank of Durant.
- B. That Respondent, with two others, endorsed the \$8,000 loan.
- C. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. § 431(e)(5).
- D. According to 2 U.S.C. § 431(e)(5), the Respondent contributed \$2,666.66 to the Ward for Congress Committee by endorsing, with two others, the \$8,000 bank loan to the Committee.
- E. 2 U.S.C. § 441a(a)(1)(A) prohibits contributions by an individual in excess of \$1,000 per principal campaign committee per election.
- F. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by contributing in excess of \$1,000 to the Ward for Congress Committee.
- G. The Respondent will pay a civil penalty in the amount of \$250.

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H. Respondent will now and in the future comply in all respects with the Federal Election Campaign Act of 1971, as amended.

V. General Conditions

- A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- C. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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D. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

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Date

William C. Oldaker
General Counsel

Date

Rector Swearengin
Respondent



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 21, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin, Treasurer
Ward for Congress Committee
301 West Main Street
Durant, Ok. 24701

Re: MUR 581 (78)

Dear Mr. Swearengin:

The Federal Election Commission has found reasonable cause to believe the Ward for Congress Committee has violated 2 U.S.C. § 432(c) for failing to maintain complete records for the financial activities of Committee county chairpersons, 2 U.S.C. § 437b(a)(1) by not processing all Committee receipts and expenditures through a designated campaign depository, 2 U.S.C. § 434(b)(2), (8), (9) and (11) by failing to report \$7,016.08 in receipts and \$10,971.10 in expenditures, 2 U.S.C. § 434(b)(12) by failing to report debts totalling \$6,926.11, and 2 U.S.C. § 441a(f) by accepting excessive contributions from three individuals.

The Commission has also voted to defer further action against the Committee as to 35 Committee expenditures lacking supporting documentation, pending the receipt by the General Counsel's Office of copies of the letters sent to vendors in the Committee's attempts to secure this documentation. The Commission has voted to take no further action concerning the contributions received, and subsequently refunded, from Livestock Breeders International Association and Mr. Larry Allford. The Commission has also voted not to take further action concerning 2 U.S.C. § 433 since the Committee has amended its statement of organization to include a list of the five depositories that were previously unreported.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct the above violations by informal methods of

Page 2

Letter to: Mr. Rector Swearengin, Treasurer
Ward for Congress Committee

conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202)523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
William C. Oldaker
General Counsel

enclosure

cc: Michael L. Reed
1776 F Street, N.W., Suite 303
Washington, D.C. 20006

790101003

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one):
☐ Show to whom and date delivered
☒ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
Show to whom and date delivered
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Re: Rector Swearengin

3. ARTICLE DESCRIPTION:
REGISTERED NO. *943443* CERTIFIED NO. INSURED NO.

4. I have received the article described above:
SIGNATURE *Michael L. Reed* AUTHORIZED AGENT
(Using green signature of addressee or agent)

5. ADDRESS (Complete only if requested)
DATE OF DELIVERY *12-16-78* POSTMARK

6. UNABLE TO DELIVER BECAUSE: CLERK'S
DATE

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Rector Swearengin, Treasurer
Ward for Congress Committee
301 West Main Street
Durant, Ok. 24701

Re: MUR 501 (70)

Dear Mr. Swearengin:

The Federal Election Commission has found reasonable cause to believe the Ward for Congress Committee has violated 2 U.S.C. § 432(c) for failing to maintain complete records for the financial activities of Committee county chairpersons, 2 U.S.C. § 437b(a)(1) by not processing all Committee receipts and expenditures through a designated campaign depository, 2 U.S.C. § 434(b)(2), (8), (9) and (11) by failing to report \$79016.08 in receipts and \$10,971.10 in expenditures, 2 U.S.C. § 434(b)(12) by failing to report debts totalling \$6,926.11, and 2 U.S.C. § 441a(f) by accepting excessive contributions from three individuals.

The Commission has also voted to defer further action against the Committee as to 35 Committee expenditures lacking supporting documentation, pending the receipt by the General Counsel's Office of copies of the letters sent to vendors in the Committee's attempts to secure this documentation. The Commission has voted to take no further action concerning the contributions received, and subsequently refunded, from Livestock Breeders International Association and Mr. Larry Allford. The Commission has also voted not to take further action concerning 2 U.S.C. § 433 since the Committee has amended its statement of organization to include a list of the five depositories that were previously unreported.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct the above violations by informal methods of

Page 2

Letter to: Mr. Rector Swearangin, Treasurer.
Ward for Congress Committee

conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

enclosure

cc: Michael L. Reed
1776 F Street, N.W., Suite 303
Washington, D.C. 20006

79040162705

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Ward for Congress Committee) MUR 581 (78)

CONCILIATION AGREEMENT

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This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities, and, after an investigation, the Commission having found reasonable cause to believe that the Ward for Congress Committee (hereinafter "the Committee" or "the Respondent") has violated 2 U.S.C. §§432(c), 437b(a)(1), 434(b)(2)(8)(9) and (11), 434(b)(12), and 441a(f).

WHEREFORE, the Commission and the Respondent, having duly entered into conciliation as provided for in 2 U.S.C. § 437(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and subject matter in this case.
- II. The Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Respondent enters into this agreement with the Commission voluntarily.
- IV. The pertinent facts in this matter are as follows:
 - A. Respondent was the principal campaign committee for Charles Ward in 1976.

- B. That ten "County Chair People" carried on significant financial activity as part of the Respondent committee.
- C. Only four of these ten counties maintained bank accounts.
- D. The records of receipts kept by the ten county Chair Persons consisted of lists, many of which listed only the name of the contributor and the amount of the contribution.
- E. The records of expenditures kept by the county Chair Persons consisted of lists, some of which omitted the name of the payee and/or date of the expenditure.
- F. The Respondent had receipts of \$141,881.49 and reported \$134,865.41 of these receipts. The Respondent made expenditures of \$143,560.30 and reported \$132,589.20 of these expenditures.
- G. Respondent records and reports show outstanding debts of \$6,926.11 for which no continuous schedules or debt settlement statements have been filed with the Commission.
- H. On September 20, 1976, the Respondent obtained an \$8,000 loan from the First National Bank of Durant, endorsed by Eugene Stipe, John Massey, and Rector Swearengin.

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I. The \$8,000 loan was repaid by Respondent on October 27, 1976.

WHEREFORE Respondent agrees:

- A. That 10 County Chair Persons carried on significant financial activity as part of the Respondent Committee.
- B. That six of these counties which carried on significant financial activity, did not maintain bank accounts.
- C. 2 U.S.C. § 437b(a)(1) requires that all Committee receipts and expenditures be processed through a designated campaign depository.
- D. That Respondent violated 2 U.S.C. § 437b(a)(1) by not processing the receipts and expenditures of six counties through designated campaign depositories.
- E. That records of receipts and expenditures kept by the ten County Chair Persons consisted of hand or typewritten lists, many of which omitted information such as dates, payees, and occupations of those who contributed in excess of \$100.
- F. 2 U.S.C. § 432(c) requires political committees to keep detailed records of contributions and expenditures, including the date of the contribution/expenditure, the amount, identification of the contributor/payee, and the occupation of anyone who contributes more than \$100 in the aggregate.

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- G. The Respondent violated 2 U.S.C. § 432(c) by failing to maintain complete records of the financial activities of its County Chair People.
 - H. That Respondent failed to report \$7,016.08 in receipts and \$10,971.10 in expenditures, some of which may have exceeded \$100 in the aggregate as to the same contributor/payee.
 - I. 2 U.S.C. § 434(b)(8) and (11) requires political committees to report the total sums of all committee receipts and expenditures. 2 U.S.C. § 434(b)(2) and (9) requires committees to itemize all contributions by individuals aggregating in excess of \$100 within the calendar year, and to itemize all expenditures to recipients that aggregate in excess of \$100.
 - J. Respondent violated 2 U.S.C. § 434(b)(8) and (11) by not reporting some receipts and expenditures, and 2 U.S.C. § 434(b)(2) and (9) by not itemizing contributions and expenditures in excess of \$100, aggregate, with respect to the same individuals.
 - K. That Respondent records and reports show outstanding debts of \$6,926.11 for which no continuous schedules or statements of settlement have been filed.
 - L. 2 U.S.C. § 434(b)(12) requires committees to continuously report debts and obligations until those debts are extinguished, and to file statements concerning the circumstances involved in their extinguishment.

- M. Respondent violated 2 U.S.C. § 434(b)(12) by not filing continuous statements and settlement schedules for \$6,926.11 of its debts.
- N. That Respondent received an \$8,000 loan from First National Bank of Durant endorsed by Eugene Stipe, John Massey, and Rector Swearengin.
- O. Endorsements of a bank loan to be used to influence the nomination for election of any person to Federal office are to be considered contributions by each endorser in proportion of the unpaid balance thereof that each endorser bears to the total number of endorsers. 2 U.S.C. § 431(e)(5).
- P. According to 2 U.S.C. § 431(e)(5), Eugene Stipe, John Massey, and Rector Swearengin each contributed \$2,666.66 to the Respondent by endorsing the \$8,000 loan to Respondent.
- Q. Contributions from an individual in excess of \$1,000 per candidate committee per election constitute violations of 2 U.S.C. § 441a(a)(1)(A).
- R. Acceptance by a committee of contributions from individuals which are in violation of 2 U.S.C. § 441a(a)(1)(A) place the Committee in violation of 2 U.S.C. § 441a(f).

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- S. Respondent violated 2 U.S.C. § 441a(f) by accepting excessive contributions from Eugene Stipe, John Massey, and Rector Swearengin.
 - T. Respondent will file with the Commission debt settlement schedules for its \$6,926.11 in outstanding debts, and will amend its reports to reflect the \$7,016.08 in receipts and \$10,971.10 in expenditures that it has not reported.
 - U. Respondent will pay a civil penalty in the amount of \$5,000.
 - V. Respondent will now and in the future comply in all respects with the Federal Election Campaign Act of 1971, as amended.
 - V. General Conditions
 - A. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matter at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirements thereof have been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

- B. It is further agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matter set forth in this Agreement.
- C. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.
- D. It is agreed that the Respondent shall have no more than thirty (30) days from the date of this agreement to implement and comply with the requirements contained herein, or so notify the Commission.

72040162712

Date

William C. Oldaker
General Counsel

Date

Rector Swearengin
Treasurer
Ward for Congress Committee

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Ward for Congress Committee, et al

MUR 381

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 21, 1978, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated December 18, 1978, regarding the above-captioned matter:

1. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. §437b(a)(1) by not processing financial activity through designated depositories.
2. Take no further action against the Committee as to 2 U.S.C. §433(b)(9) and (c).
3. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. §432(c) for failing to maintain complete records of the financial activities carried on by the County Chair People.
4. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. §434(b)(2)(8)(9) and (11) by not reporting receipts and expenditures.
5. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. §434(b)(12) by not continuously reporting debts and the circumstances of their extinguishment.

Continued

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CERTIFICATION

MUR 581

General Counsel's Report

Dated: December 18, 1978

Page 2

6. Defer action as to 2 U.S.C. §432(d) pending an assessment of the efforts expended by the Committee in attempting to obtain documentation.
7. Take no further action against the Ward for Congress Committee and Livestock Breeders International Association as to 2 U.S.C. §441b(a).
8. Find reasonable cause to believe Eugene Stipe, John Massey, and Rector Swearengin violated 2 U.S.C. §441a(a)(1)(A) by making excessive contributions.
9. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. §441a(f) by accepting excessive contributions from 3 individuals.
10. Take no further action against Larry Allford with respect to 2 U.S.C. §441a(a)(1)(A).
11. Send the conciliation agreements and letters attached to the above-named report.

Attest:

12-21-78

Date

Margaret E. Charney
for Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 12-18-78, 4:08
Circulated on 48 hour vote basis: 12-19-78, 10:30

79040162714

December 18, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. McGr
SUBJECT: MUR 581

Please have the attached General Counsel's
Report on MUR 581 distributed to the Commission on
a 48 hour tally basis.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Ward for Congress)
Committee, et al) MUR 581(78)

GENERAL COUNSEL'S REPORT - II

Background and Summary of Commission Action

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This matter stems from a random audit of the Ward for Congress Committee ("the Committee"). During the audit, certain recordkeeping and reporting omissions, as well as other possible violations of the Federal Election Campaign Act, became apparent, and were the subject of recommendations made by the Audit Division to the Committee in a letter dated March 30, 1978. However, the Committee's records were in a disorganized state and the treasurer failed to assume the responsibility of putting the records in order. This inaction prompted the Audit Division to refer this matter to the General Counsel's Office. At that point, the Committee requested, and was granted a thirty day extension and the matter was sent back to the Audit Division.

The Committee did not produce any significant additional information during the extension. On August 28, 1978, the Commission voted to withhold action for two weeks pending efforts to secure the required information from the Committee. No significant additional information was produced at that time either. On October 10, 1978, this matter was again

referred to the General Counsel's Office for compliance action.

On November 7, 1978, the Commission found reason to believe the Committee apparently violated the following provisions:

- a. 2 U.S.C. § 432(c) by failing to maintain complete records of the financial activities of county chairpersons.
- b. 2 U.S.C. § 437b(a)(1) by not processing receipts and expenditures through a designated campaign depository.
- c. 2 U.S.C. § 432(d) by failing to maintain proper documentation for 42 expenditures
- d. 2 U.S.C. § 434(b)(2)(8)(9) and (11) by failing to report \$7,016.08 in receipts and \$10,971.10 in expenditures.
- e. 2 U.S.C. § 434(b)(12) by failing to report debts totalling \$6,926.11
- f. 2 U.S.C. § 433(b)(9) and (c) by failing to disclose five depositories.
- g. 2 U.S.C. § 441a(f) by accepting a corporate contribution.

The Commission also found reason to believe Livestock Breeders International Association made a contribution to the Committee in violation of 2 U.S.C. § 441b(a), and reason to believe

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Mr. Larry Allford, Mr. John Massey, Mr. Eugene Stipe, and Mr. Rector Swearengin each made contributions to the Committee in excess of \$1,000 per election, in violation of 2 U.S.C. § 441a(a)(1)(A).

Evidence

A. Recordkeeping and Reporting

Initially, when the auditors inspected the Committee's records, they asked the Committee if all the records had been presented to them. Although the Committee representatives told the auditors that all the Committee records had been given to them, that representation became suspect when it appeared that the records could not be balanced. As the auditors began to question people involved with the Committee's work they learned of 23 "county chairpersons" who had conducted campaign activities on behalf of the Committee. A list of those chairpersons was produced, and through further interviews, the auditors were able to discover that only ten of these counties carried on significant financial activities. Of these ten, only four had bank accounts or depositories through which they processed their financial activity. Under 2 U.S.C. § 437b(a)(1) all committee contributions and expenditures must be processed through a designated campaign depository. Since six counties did not process their contributions and expenditures in this manner, the General Counsel's

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Office recommends the Commission find reasonable cause to believe the Committee violated 2 U.S.C. § 437b(a)(1).

The other four county committees had a total of five bank accounts that were not reported in the Committee's statement of organization. At the suggestion of the auditors, an amendment to the Committee statement of organization was filed with the Commission 1/ designating these five depositories. In light of this amendment, the Office of General Counsel recommends that the Commission take no further action against the Committee as to 2 U.S.C. § 433(b)(9) and (c).

The records kept by the ten counties with financial activity were for the most part just typed or handwritten lists of receipts and expenditures kept by the county chairpersons. Attachment I. These lists did not contain certain information that is required for adequate recordkeeping. Under 2 U.S.C. § 432(c), a political committee must keep detailed records of all contributions and expenditures, including the date, amount, identification of the contributor or payee, and the occupation of any contributor who gives

1/ Actually, an unsigned copy of the amendment was sent to this office, with a notice that the original was being sent to the Treasurer for his signature and would be forwarded to the Commission.

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more than \$100 in the aggregate. Yet, important information on contributions, such as the date when each was made, was not recorded. For many counties, the lists merely contained the name of the contributor and the amount of the contribution. Similarly, the lists contained inadequate information on Committee expenditures, omitting the date and often the identification of the payee. It also appears that some receipts were not even recorded on the lists, since some deposits into bank accounts had no documented source.

Upon the urgings of the Audit Division and this Office, the Committee attempted to acquire the missing records but these efforts have proved futile. It is therefore recommended that the Commission find reasonable cause to believe the Committee violated 2 U.S.C. § 432(c) for failing to maintain complete records of the financial activities carried on by the County Chair People of the Committee.

Despite this disorganized and incomplete nature of the central and county records, the auditors managed to come up with adjusted figures of totals of receipts and expenditures of the Committee. These figures were arrived at by use of the bank statements for the four counties that had accounts, some invoices and the lists of receipts and expenditures (the only available records) for the other counties, and the central Committee records. These totals, although as accurate as possible under the circumstances, are only rough estimates.

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In comparing these figures to Committee reports, the auditors found that of the approximately \$141,881.49 received in receipts by the Committee, \$7,016.08 was not reported. Also, \$10,971.10 of approximately \$143,560.30 in expenditures was not reported by the Committee. 2 U.S.C. § 434(b)(8) and (11) requires political committees to report the total sums of all committee receipts and expenditures, and 2 U.S.C. § 434(b)(2) and (9) requires committees to itemize all contributions by individuals aggregating in excess of \$100 within the calendar year and all committee expenditures to recipients that aggregate in excess of \$100. Because substantial receipts and expenditures were not even reported by the Committee, the Office of General Counsel recommends that the Commission find reasonable cause to believe the Committee violated 2 U.S.C. § 434(b)(2)(8)(9) and (11).

B. Debts and Obligations

The auditors found that four counties had final balances in which expenditures exceeded receipts. One of these four counties maintained a bank account, the final statement of which shows a negative balance of \$144.00. According to the latest calculations and information the auditors have, the Committee still has outstanding debts of \$6,926.11. 2 U.S.C. § 434(b)(12) requires committees to continuously report debts and obligations until those debts are extinguished, and to file statements concerning the circumstances involved in this extinguishment. No continuous reports of these debts,

nor debt settlement statements have, as yet, been filed by the Committee although both the auditors and the General Counsel's Office have reminded the Committee on several occasions of this continuing obligation. The General Counsel's Office therefore recommends that the Commission find reasonable cause to believe the Committee violated 2 U.S.C. § 434(b)(12).

C. Inadequate Documentation of Expenditures

2 U.S.C. § 432(d) requires committees to maintain receipted bills for expenditures aggregating in excess of \$100 to the same persons. The auditors found that the required documentation had not been maintained for 81 expenditures totalling \$56,866.24. Pursuant to an Audit Division recommendation the Committee was able to secure this documentation for 46 expenditures, leaving 35 expenditures without supporting documentation. Mr. Michael Reed, who has been acting on behalf of the Committee in Washington, D.C., was advised by this Office that under 11 C.F.R. 102.9(e), if the Committee supplied adequate documentation to the Commission that best efforts had been made to secure the required information, the Committee would be deemed to be in compliance with 2 U.S.C. § 432(d). Specifically, the Committee was told to send to the General Counsel's Office copies of the letters sent to the various vendors requesting the needed documentation. However, the Committee has sent only a copy of the master form, in blank,

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- 3 -

of the letters that were apparently sent to vendors. The Committee has since been informed again of what is required, and although copies of the actual letters to the vendors have not yet been received, there is some indication these copies will be forwarded to the Commission. The Office of General Counsel therefore recommends that the Commission defer action as to the apparent violation of 2 U.S.C. § 432(d), until an assessment can be made of efforts expended and the results of those efforts.

D. Corporate Contribution

Committee records revealed that on July 6, 1976, the Committee received a \$500 contribution from Livestock Breeders International Association, ("LBIA") and Oklahoma corporation, in possible violation of 2 U.S.C. § 441b(a). The Committee has refunded that contribution. It is recommended that pursuant to the Commission's policy of July 26, 1978, regarding corporate contributions made in 1976, no further action be taken against the Committee or LBIA in regards to the above contribution.

E. Excessive Contributions

2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election. 2 U.S.C. § 431(e)(5)(G)(ii) includes in the definition of a "contribution" an endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each

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endorser bears to the total number of endorsers.

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The auditors found that on September 20, 1976, the Committee obtained an \$8,000 loan from the First National Bank of Durant. This loan was endorsed by Mr. Eugene Stipe, Mr. John Massey, and Mr. Rector Swearengin, making each endorser liable for \$2,666.66 and thus placing each in excess of the \$1,000 limitation. Mr. Stipe and Mr. Massey claim they were promised by Rector Swearengin the money would not be disbursed unless at least eight people co-signed the note. The money was in fact not spent by the Committee, according to the bank which loaned the money (which was also the bank of the Committee's depository) and the loan was repaid on October 27, 1976. Still, the money was available to the Committee for its use if necessary, and was readily accessible since it was deposited in the Committee account. Also, it is the aid in acquiring the loan or funds in question that makes such an endorsement a contribution within the meaning of the Act, not the eventual use of those funds. The Office of General Counsel therefore recommends that the Commission find reasonable cause to believe Eugene Stipe, John Massey, and Rector Swearengin violated 2 U.S.C. § 441a(a)(1)(A) and that the Committee violated 2 U.S.C. § 441a(f) by accepting those excessive contributions.

It was also discovered by the auditors that one county chairman, Larry Allford, made expenditures for the Committee

in the amount of \$1,110 between the date of the primary and the runoff election. The Committee tried to keep track of Mr. Allford's expenditures and in fact refunded \$748 to him on February 11, 1977. 2/ Because the amount of the excessive contribution was de minimus, and because the Committee refunded to Mr. Allford more than it was required to under the Act, the General Counsel's Office recommends no further action against the Committee or Larry Allford concerning this contribution.

Recommendations

1. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. § 437b(a) (1) by not processing financial activity through designated depositories.
2. Take no further action against the Committee as to 2 U.S.C. § 433(b) (9) and (c)
3. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. § 432(c) for failing to maintain complete records of the financial activities carried on by the County Chair People.

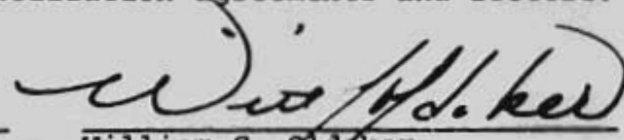
2/ Mr. Allford spent a total of \$1,748 on the Ward campaign but this amount spanned three elections, the primary, runoff, and the general elections. Thus, the Committee was operating under a misconception of 2 U.S.C. § 441a(a) (11) (A) and actually refunded more than was necessary to Mr. Allford.

79040162725

4. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. § 434(b)(2)(8)(9) and (11) by not reporting receipts and expenditures.
5. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. § 434(b)(12) by not continuously reporting debts and the circumstances of their extinguishment.
6. Defer ~~action as to 2 U.S.C. § 432(d)~~ pending an assessment of the efforts expended by the Committee in attempting to obtain documentation.
7. Take no further action against the Ward for Congress Committee and Livestock Breeders International Association as to 2 U.S.C. § 441b(a).
8. Find reasonable cause to believe Eugene Stipe, John Massey, and Rector Swearengin violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions.
9. Find reasonable cause to believe the Ward for Congress Committee violated 2 U.S.C. § 441a(f) by accepting excessive contributions from 3 individuals.
10. Take no further action against Larry Allford with respect to 2 U.S.C. § 441a(a)(1)(A).
11. Send the attached conciliation agreements and letters.

79040162726
Date

12/18/78


William C. Oldaker
General Counsel

Attachments

- I. County Lists
- II. Letters & Conciliation Agreements

Dept 2

~~James Wolfe~~
~~Chairman~~

STATEMENT of /
RECEIPTS & DISBURSEMENT

Financial Statement
Charley Ward for Com. Sec.
Chatham County, Ga.

Attachment
I
(a)
581

Received: (not submitted to account)

\$100.00	Cash	—	Donor — Anonymous
50.00	Check	—	" — James Bounds
50.00	Check	—	" — JAMES BOUNDS - HUGO
10.00	check	—	" — JOE MOLLENKOFF
			ATLANTA
			J. Harris
			GRANT, OK
<u>\$210.00</u>			

PAID OUT 2 (Chatham County Expenses)

12.00	Cash for Radio Spots	9/14/76
80.00	Cash " " "	9/15/76
50.00	above check — JAMES BOUNDS	9/17/76 for VOTERS' LIST
11.20	for ad in Hugo County News	9/20/76
56.80	Check to James Wolfe for Misc. Expenses	9/21/76
<u>\$210.00</u>		

Not Reported

10/14/74
Recorded
Earlie Carl McGee

CONTRIBUTIONS

Find more

TO
CHARLEY WARD FOR CONGRESS

AMOUNT

DONATOR

HOW FUNDS DISBURSED

50.00

GENE RITTER

M.O. # 54408 TO RECTOR

100.00

SCOTT KING

CASHED CHECK - CASH TO

40.00

HAL COCHRAN

M.O. # 54408 TO RECTOR

25.00

PAGE LAMBERT

M.O. # 55013 TO RECTOR

100.00

E.V. DUNLAP

CASHED CHECK - CASH TO

50.00

HOWARD MCGEE

CASHED CHECK - CASH TO

100.00

DENNY FITZGERALD

CASH - TO JACK

25.00

E. DON FLANAGAN

CASH - M.O. # 54720 TO RE

50.00

GENE RITTER

CASHED CHECK - CASH TO

100.00

W.E. BIGBIE

CHECK SENT TO RECTOR

100.00

PAGE LAMBERT

CASHED CHECK - CASH TO RE

50.00

Gene Ritter

to Jack

50.00

Narryl Burton

to Jack

25.00

Page Lambert

by Jack

100.00

McMillan Lambert

for Radio Lab

25.00

Howard McGee

Radio Lab

200.00

Jack Thompson

matrices - Radio Lab

10.00

Gene White

check cashed by Jack

25.00

Don Flanagan

(advertising) by Jack

Local money used for radio, newspaper

H.F. Wilson black community - 200.00, hand bell lab

supplies, 350.00, 350.00

25.00 +
200.00 +
10.00 +
25.00 +
1225.00 +

1225.00 +
243.00 -
985.00 +

Vernon Roberts Report from Ada of
his Collections and Expenditures I(c)

	misc. 981 Mrs. Jack Douglas 309 S. Townsend	100
P. 981	Jane Chapman Mrs	100-
	Ada Orla 74820	
P. 982	Gordon K Chapman m.	100
983	Ada Orla	
P. 984	Jack Douglas (m)	100-
	Ada 309 S. Townsend	
P. 986	Jim Scinner	100-
	Ada Or. 1909 9.15	
P. 986	Vernon Roberts (m)	100-
	Ada 307 N. 20th	
P. 987	Gwen Roberts (m)	100-
	Ada	
	Total Collection	900
	His Expenditure	750
P. 1	Channel 10 Ada for 30 minute Program 9-15-76	Report 500- 9/7-9/13
P. 2	Newspublishing & Printing Hand Types	9/7-9/13 50.40
P. 3	KADA Radio Ada	56.25
P. 4	Evening News	7.60
P. 5	Misc labor for hand bills etc	94.75
	Total Expenditures	700-
		199

9/13/76
J. J. J.

Rec'd in Court 9/11/76

9-13-0005
904341562730

1	Jane R. Chapman	100✓
	Howard K	100✓
3	Jack Douglas	100✓
	Betty	100
4	Jim Sawyer	100-
5	Vernon Roberts Boat	75.85
	Cash	24.15
	Total	<hr/> 75.85
	Grace L Roberts	24.15
	Total	<hr/> 75.85

All obligated on T.V. Show
Jim Casarway working
hard u show will M.O.

see Contributions to
Charles Ward Campaign

PONTIAC
ROBERTS

I (C)

CONTRIBUTIONS TO CHARLES WARD CAMPAIGN

Vernon E. Roberts	\$100.00
Grace L. Roberts	\$100.00
Jane R. Chapman	\$100.00
Gordon R. Chapman	\$100.00
Jack R. Douglas	\$100.00
Betty Douglas	\$100.00
Jim Scrivner	\$100.00
H. E. (Gene) Rainbolt	\$100.00 Reptd 9/14-9/30
Wm. E. Dougherty	\$100.00
Hugh Warren	\$100.00
W. B. Ward, Jr.	\$ 50.00
William Kerr	\$100.00 Reptd 9/14-9/30
Pete Edgar	\$100.00
Ray James	\$100.00

Total Contributions 1450.00
Total Expenditures 2232.69
Unexplained <782.69>

Home Phone Robert 224-11



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin, Treasurer
Ward for Congress Committee
301 West Main Street
Durant, Ok. 24701

Re: MUR 581 (78)

Dear Mr. Swearengin:

The Federal Election Commission has found reasonable cause to believe the Ward for Congress Committee has violated 2 U.S.C. § 432(c) for failing to maintain complete records for the financial activities of Committee county chairpersons, 2 U.S.C. § 437b(a)(1) by not processing all Committee receipts and expenditures through a designated campaign depository, 2 U.S.C. § 434(b)(2), (8), (9) and (11) by failing to report \$7,016.08 in receipts and \$10,971.10 in expenditures, 2 U.S.C. § 434(b)(12) by failing to report debts totalling \$6,926.11, and 2 U.S.C. § 441a(f) by accepting excessive contributions from three individuals.

The Commission has also voted to defer further action against the Committee as to 35 Committee expenditures lacking supporting documentation, pending the receipt by the General Counsel's Office of copies of the letters sent to vendors in the Committee's attempts to secure this documentation. The Commission has voted to take no further action concerning the contributions received, and subsequently refunded, from Livestock Breeders International Association and Mr. Larry Allford. The Commission has also voted not to take further action concerning 2 U.S.C. § 433 since the Committee has amended its statement of organization to include a list of the five depositories that were previously unreported.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct the above violations by informal methods of

79040162732

Page 2

Letter to: Mr. Rector Swearengin, Treasurer
Ward for Congress Committee

conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

enclosure

cc: Michael L. Reed
1776 F Street, N.W., Suite 303
Washington, D.C. 20006

79040162733



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearingin
301 West Main Street
Durant, Oklahoma 74701

Re: MUR 581 (78)

Dear Mr. Swearingin:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1) (A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a) (5) (A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a) (5) (B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040162734



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Eugene Stipe
P.O. Box 8
McAlester, Ok. 74501

Re: MUR 581 (78)

Dear Mr. Stipe:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1) (A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a) (5) (A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a) (5) (B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040162735



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
c/o Durant Enterprises
600 Montgomery Drive
Durant, Oklahoma 74701

Re: MUR 581 (78)

Dear Mr. Massey:

The Federal Election Commission has found reasonable cause to believe that you have violated 2 U.S.C. § 441a(a) (1) (A) by guaranteeing a pro rata share of a loan to the Ward for Congress Committee in excess of \$1,000.

Please be advised that the Commission is under a duty to make every endeavor for a period of not less than thirty (30) days to correct such a violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. 2 U.S.C. § 437g(a) (5) (A). If we are unable to reach agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a) (5) (B).

Enclosed please find a conciliation agreement which this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of this agreement, please sign it and return it to the Commission within ten days of your receipt of this letter. If not, please contact Ms. Marsha G. Gentner at (202) 523-4060 to discuss your objections to the agreement.

Sincerely,

William C. Oldaker
General Counsel

Enclosure



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Larry Allford
Box M
McAlester, Oklahoma 74501

Re: MUR 581 (78)

Dear Mr. Allford:

The Federal Election Commission has voted to take no further action against you concerning your contributions to the Ward for Congress Committee.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

79040152737



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James Dula, President
Livestock Breeders International, Inc.
Post Office Box 61
Rubottom, Oklahoma

Re: MUR 581 (78)

Dear Mr. Dula:

The Commission has voted to take no further action against Livestock Breeders International in the above captioned matter. However, the Commission continues to request that you acknowledge the receipt by the Ward for Congress Committee of the contribution from your corporation and the subsequent refund of that contribution in order to complete our files.

Sincerely,

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

79040162738



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 1, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Michael L. Reed
Ward for Congress Committee
1776 F Street, N.W.
Suite 303
Washington, D.C. 20006

Re: MUR 581 (78)

Dear Mr. Reed:

This letter is in response to your request on behalf of Mr. Swearingin, Treasurer of the Ward for Congress Committee, for an extension of time to respond to the letter of notification of a finding of reason to believe the Committee committed certain violations of the Federal Election Campaign Act of 1971, as amended. Because the Committee has had ample time, including a previous 30 day extension, to submit any requested or additional materials to the Commission, another extension will not be granted at this time.

If you have any questions concerning this or any other matter, please contact Ms. Marsha Gentner, the attorney assigned to this matter, at (202) 523-4060.

79040152739

1. The following services are requested (check one): <input type="checkbox"/> Show to whom and date delivered. <input checked="" type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery. (CONSULT POSTMASTER FOR FEES)		2. ARTICLE ADDRESSED TO: <i>Michael Reed</i>	
3. ARTICLE DESCRIPTION: REGISTERED NO. <i>943007</i> INSURED NO.		4. SIGNATURE: <i>Chas Cochran</i> DATE OF DELIVERY <i>DEC 5 - 1978</i>	
5. ADDRESS: Complete only if requested.		6. UNABLE TO DELIVER BECAUSE:	
POSTMARK		CLERK'S INITIALS	

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

Reed
Baker
el

3291



R. H. SWEARENGIN INSURANCE

FEDERAL ELECTION
COMMISSION

PHONE 924-8241 281 WEST MAIN DUBANT, OKLAHOMA 74101

'78 NOV 29 PM 3:17

November 27, 1978

Mr. William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K. Street, N. W.
Washington, D. C. 20463

808093

Dear Mr. Oldaker:

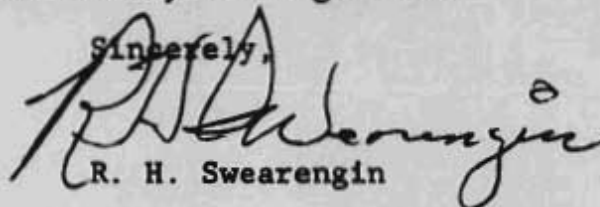
RE: MUR 581 (78)

My friend, Michael L. Reed, has written you on my behalf regarding an extension of time for response by the Ward for Congress Committee to your letters.

The purpose of this letter is to affirm that request.

Thank you for any consideration you can give us.

Sincerely,


R. H. Swearengin

NHS:DR

79040162740

79040152741



R. H. SWEARENGIN

INSURANCE

301 West Main

DURANT, OKLAHOMA, 74701



NOV 29 PM 3:17

Mr. William C. Oldaker, Esq.
General Counsel
Federal Election Committee
1325 K. Street, N. W.
Washington, D. C. 20463

from the desk of
Larry Allford

11-22-78

Ms. Bentner,

In reference to Mr. William C. Oldaker's letter of 11-8-78 (copy attached), my records indicate that my contributions to the Ward for Congress Committee totaled \$1,748.05. Whenever we realized that my contributions exceeded the limits allowed by law, I was reimbursed \$748.05 on 2-11-77 to reduce the amount to \$1,000.00. According to my notes, the check which I received from the committee was # 361. If additional information is needed, please do not hesitate to contact me as I certainly want to cooperate with you and your commission.

Respectfully,
Larry Allford

W. E. ALLFORD, INC.





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION

NOV 27 AM 11:58

November 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Larry Allford
Box M
McAlester, Oklahoma 74501

807998

Re: MUR 581

Dear Mr. Allford:

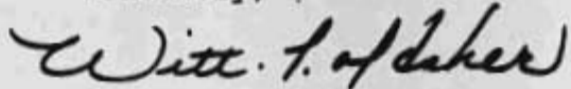
The Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. §441a(a)(1)(A) by making contributions of \$1,110 to the Ward for Congress Committee for the run-off election in 1976. 2 U.S.C. §441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. §437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

A handwritten signature in dark ink, appearing to read "Witt. C. Oldaker", written in a cursive style.

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

W. E. ALFORD
P. O. BOX 11
MCALISTER, OKLA. 74301



MS. MARSHA GENTNER
c/o FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D. C.

20463

There's Just One Thing You Have to Know About Gasoline —



MUR 521

Gestand 6000 5705

Stipe, Gossett, Stipe and Harper

ATTORNEYS AT LAW

Law Office Bldg.

323 E. Carl Albert Pkwy.

Area Code 918 423-0421

McAlester, Oklahoma 74501

78 NOV 27 AM 11:56

Post Office Box 5

Gene Stipe
Richard L. Gossett
Clyde Stipe
Eddie Harper

Roger O. Howsley
James D. Wadley
Monte Brown

Oklahoma City Office
2915 Lincoln Blvd.
Area Code 405 524-2269

November 20, 1978

000013

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street N. W.
Washington, D. C. 20463

Re: John Massey
Durant, Oklahoma

Dear Mr. Oldaker,

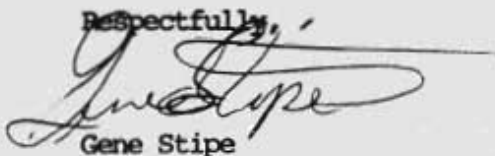
I'm writing you on behalf of my client, John Massey of Durant, Oklahoma regarding your inquiry concerning the "Ward for Congress" matter.

Mr. Massey advises me that during the campaign he was asked to sign a note in blank for which he would be individually liable but in no case would he be liable for more than \$1,000.00. He states that there were not a sufficient number of signers so the funds were never disbursed and none of the money found its way into the campaign.

He advises me that the above facts have been documented by affidavits from Mr. Rector Swearingen, Finance Chairman of the Committee.

If you have any further questions regarding this matter, please let me hear from you.

Respectfully,



Gene Stipe

GS/cs

79040152746

79040162747
Stipe, Gossett, Stipe and Harper

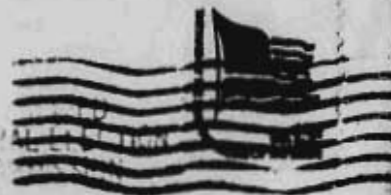
ATTORNEYS AT LAW

Law Office Bldg.

323 E. Carl Albert Pkwy.

Post Office Box S

McAlester, Oklahoma 74501



79 NOV 27 AM 11:56

Mr. William C. Oldaker
General Counsel
Federal Election Committee
1325 K. Street N. W.
Washington, D. C. 20463

5709

RECEIVED
FEDERAL ELECTION
COMMISSION

FIRST NATIONAL BANK

IN DURANT

'78 NOV 27 AM 11:57

DURANT, OKLAHOMA
74701

ARTHUR G. ALEXANDER
SENIOR VICE PRESIDENT
& CHIEF EXEC. OFFICER

November 20, 1978

808004

Ms. Marsha Gentner
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

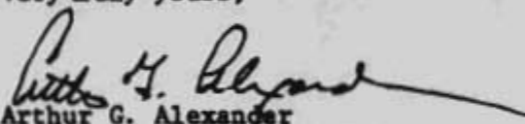
Dear Ms. Gentner:

Re: Loan--Ward for Congress Committee, Ractor Swaengin, Treas.

Mr. Swaengin has asked us to notify you concerning the \$8,000 note made to the Ward for Congress campaign. After the note was drawn, the money was placed in the account with the understanding that there would be a number of co-signers for it. It would seem that the loss of the election for Charles Ward changed the attitude of the folks who had agreed to co-sign.

The decision was made by the Treasurer that this money should be returned to the bank, and our records show that the money was not used to pay any of the expenses for the above campaign.

Very truly yours,


Arthur G. Alexander
Senior Vice President and
Chief Executive Officer

AGA:bw

79040162748

79040162749


FIRST NATIONAL BANK

IN DURANT

 **DURANT, OKLAHOMA**
74701



13 NOV 27 AM 11:57

**Ms. Marsha Gentner
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463**

5681

MICHAEL L. REED
1776 F STREET, N. W. SUITE 200
WASHINGTON, D. C. 20006

November 24, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

ATTENTION: Ms. Marsha Gentner

RE: MUR 581 (78)

Dear Mr. Oldaker:

On behalf of the Ward for Congress Committee and R.H. Swearingin, Treasurer, I hereby request an extension of time for response by the Committee and by Mr. Swearingin to your letters of November 8, 1978.

We are eager to resolve this matter and desire to provide the Commission as much of the information it desires as it is possible for us to obtain. However, the time for response stated in your letter makes it difficult for us to do this, particularly since the committee records have been brought to Washington (at the request of the Audit Division) and any documents or other material which we might prepare here pursuant to our conversation with the committee staff or otherwise must be transmitted to Oklahoma for approval and signature. As an example, the committee is filing (at Ms. Gentner's suggestion) an amendment to the statement of organization which, while prepared and submitted with this letter, must be sent to Oklahoma for Mr. Swearingin's signature.

Attached is a brief, informal memorandum relating to the issues raised in your letter and some additional information which we have obtained. You will be receiving a more detailed statement from Mr. Swearingin in the near future. Your consideration of this request for additional time is appreciated.

Sincerely,

Michael L. Reed
Michael L. Reed

Enclosure

79040162790

November 24, 1978

MEMORANDUM FOR: FEC

FROM: WARD FOR CONGRESS COMMITTEE (by Michael L. Reed)

- 79040152751
- A. Incomplete County Records: The committee recognizes the records are incomplete and will continue to attempt to obtain all possible available information.
 - B. Campaign Depositories: The committee is filing an amended statement of organization, copy attached.
 - C. Documenting Committee Expenditures: Registered letters were sent to all persons receiving the subject expenditures. A copy of that letter is attached, as well as some additional responses to it. We have the return receipts (if desired) and intend to again follow-up with further telephone calls and additional letters.
 - D. Reporting Receipts and Expenditures: The committee has made every effort to comply with the law and obtain all information necessary to satisfy the Commission. We will continue to try to obtain the information necessary to satisfy the Commission and will file amended reports as deemed necessary by the Commission.
 - E. Debts: The committee believes that the debts have been properly settled and will continue to attempt to obtain documentation satisfactory to the Commission. If this can not be done we will file debt and obligation schedules.
 - F. Corporate Contribution: At the time the money was received the committee was advised that the association was not a corporation. After this question was raised, the contribution was returned, evidence of which has been furnished to the Commission.
 - G. Contribution in Excess of Limit: If any violation has occurred, we believe it technical in nature. With respect to the contribution by Larry Alford, he is writing the Commission advising that he was reimbursed for some of the expenditure credited to him. The records of the committee indicate this is the case. (Attached copy of check). With respect to the bank loan, the Commission has been sent a letter from the First National Bank of Durant, Oklahoma pointing out that the loan was not used by the committee. Thus, there was absolutely no benefit to the campaign or the committee as a result of this loan.

The
FIRST NATIONAL BANK

IN DURANT

DURANT, OKLAHOMA
74701

ARTHUR G. ALEXANDER
SENIOR VICE PRESIDENT
& CHIEF EXEC. OFFICER

November 20, 1978

Ms. Marsha Gentner
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Ms. Gentner:

Re: Loan--Ward for Congress Committee, Rector Swesrengin, Treas.

Mr. Swesrengin has asked us to notify you concerning the \$8,000 note made to the Ward for Congress campaign. After the note was drawn, the money was placed in the account with the understanding that there would be a number of co-signers for it. It would seem that the loss of the election for Charles Ward changed the attitude of the folks who had agreed to co-sign.

The decision was made by the Treasurer that this money should be returned to the bank, and our records show that the money was not used to pay any of the expenses for the above campaign.

Very truly yours,

Arthur G. Alexander
Arthur G. Alexander
Senior Vice President and
Chief Executive Officer

AGA:bw

79040162752

79040162753

Office of the Clerk
U.S. House of Representatives
Room 1031
Longworth House Office Building
Washington, D.C. 20515

Re: Ward for Congress Committee
Id. No. 062 146

Dear Sir:

The Statement of Organization ("Statement") filed by the Ward for Congress Committee, PO Box CW, Durant, Oklahoma 74701, on June 17, 1976, and assigned by the office of the clerk identification number 062 146, is hereby amended as follows:

That section of the Statement pertaining to the disclosure of campaign depositories is amended to include the five below listed banks, each of which had a record on account for the respective county Campaign Committee.

Poteau State Bank
Poteau, Oklahoma

Central National Bank
Poteau, Oklahoma

Sulphur Community Bank
Sulphur, Oklahoma

First State Bank
Tishomingo, Oklahoma

Wilburton State Bank
Wilburton, Oklahoma

Sincerely,

Rector H. Swearingen
Treasurer
Ward for Congress Committee

CHARLES L. WARD

for

U.S. CONGRESS

July , 1978

REGISTERED - RETURN RECEIPT REQUESTED

Dear

The Ward for Congress Committee has been asked by the Federal Elections Commission to document certain expenditures made by the Committee during Charles L. Ward's campaign for Congress in 1976. Among these expenditures are included the following payments to you:

<u>Check date</u>	<u>Amount</u>	<u>Purpose of check</u>
-------------------	---------------	-------------------------

We will appreciate your checking your records to verify these payments and signing and returning to us the verification statement at the bottom of this letter. We also need copies of any invoices that might be available to you.

Thank you very much for your assistance.

Sincerely,

R. H. Swearengen
R. H. Swearengen, Treasurer

I certify that, as best I can determine, the above payments were made to me by the Ward for Congress Committee.

(signature) _____

Ward for Congress Committee - R. H. Swearengen, Treasurer
Box 26 ~~Box 26~~ - Durant, Oklahoma 74701

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20463

79040162754

CHARLES L. WARD

for

U.S. CONGRESS

July 27 1978

REGISTERED - RETURN RECEIPT REQUESTED

Dear Gentlemen:

The Ward for Congress Committee has been asked by the Federal Elections Commission to document certain expenditures made by the Committee during Charles L. Ward's campaign for Congress in 1976. Among these expenditures are included the following payments to you:

<u>Check date</u>	<u>Amount</u>	<u>Purpose of check</u>
9/3/76	\$26.92	Supplies
10/8/76	\$53.00	Copier rental

We will appreciate your checking your records to verify these payments and signing and returning to us the verification statement at the bottom of this letter. We also need copies of any invoices that might be available to you.

Thank you very much for your assistance.

Sincerely,

R. H. Swearengen
R. H. Swearengen, Treasurer

I certify that, as best I can determine, the above payments were made to me by the Ward for Congress Committee.

XEROX

500 Penn Place
Suite 660

Oklahoma City, OK 73118

(signature) _____

Ward for Congress Committee - R. H. Swearengen, Treasurer
Box 26 ~~XXXXXX~~ - Durant, Oklahoma 74701

79040152755

We have to have invoice numbers
customer numbers as we keep no
ledger records and have no record of
who makes payment for any given
account.

Sorry we are unable to assist you.

79040162756

CHARLES L. WARD

for

U.S. CONGRESS

July 27, 1978

REGISTERED - RETURN RECEIPT REQUESTED

Dear Gentlemen:

The Ward for Congress Committee has been asked by the Federal Elections Commission to document certain expenditures made by the Committee during Charles L. Ward's campaign for Congress in 1976. Among these expenditures are included the following payments to you:

<u>Check date</u>	<u>Amount</u>	<u>Purpose of check</u>
7/1/76 (CK # 1109)	\$967.20	3 mos. escrow for typewriter <i>(original paid to office - see attached)</i>
8/10/76	32.24	Magnetic cards for auto. typewriter
9/1/76 <i>red</i>	441.77	Mag. cards for typewriter <i>See attached</i>
9/3/76 <i>red</i>	67.42	Supplies <i>to invoice</i>
9/3/76 <i>red</i>	18.41	Paper, tapes, etc. <i>available</i>
9/9/76 (<i>red</i>)	322.40	typewriter rental <i>See attached</i>

We will appreciate your checking your records to verify these payments and signing and returning to us the verification statement at the bottom of this letter. We also need copies of any invoices that might be available to you.

Thank you very much for your assistance.

Sincerely,

R. H. Swearengen
R. H. Swearengen, Treasurer

I certify that, as best I can determine, the above payments were made to me by the Ward for Congress Committee.

Gayle Davis
Accounts Receivable Representative

(signature) *Gayle Davis*

IBM

Office Products Division
1307 South Boulder
Tulsa Oklahoma 74119
918 583 5151

ss Committee - R. H. Swearengen, Treasurer
60604 - Durant, Oklahoma 74701

he Federal Election Commission and is available for purchase from
lection Commission, Washington, D.C. 20463

INTERNATIONAL BUSINESS MACHINES CORPORATION (IBM) BY ITS ACCEPTANCE OF THIS AGREEMENT, AGREES TO FURNISH TO THE CUSTOMER, IN ACCORDANCE WITH THE TERMS AND CONDITIONS HEREIN SPECIFIED, THE USE OF EQUIPMENT AND FEATURES (HEREIN AFTER CALLED EQUIPMENT OR UNIT(S) OF EQUIPMENT) LISTED BELOW AND MAINTENANCE SERVICE FOR THE EQUIPMENT.

QTY.	MODEL	DESCRIPTION THE MARKETING REPRESENTATIVE IS TO COMPLETE THE "DESCRIPTION" IN THE FOLLOWING SEQUENCE: MACHINE TYPE, PRODUCT, STYLE, SIZE, PITCH, TYPESTYLE, KEYBOARD, COLOR AND MOTOR. LIST ALL DEVICES AND FONTS.	PER UNIT		
			BASIC MONTHLY AVAILABILITY CHARGE	MAINTENANCE SERVICE ZONE CHARGE	MONTHLY USAGE CHARGE (COPIER ONLY)
1	6616	IBM Mag Card II	310.00	NONE	
		<i>IBM Picasave Tray - IBM Elite 10/12</i>			
TOTAL MONTHLY CHARGE (EXCLUDING APPLICABLE TAXES AND COPIER USAGE CHARGE) MULTIPLY (A) BY THE SUM OF (B) + (C) THEN ADD ALL LINES			310.00		*BASED ON NUMBER OF COPIES MADE AS RECORDED ON THE METER

TRADE-IN / EXCHANGE EQUIPMENT

QTY.	DESCRIPTION	EXCHANGE VALUE (LEASE PLAN B)	TRADE NET ALLOWANCE
TOTAL ALLOWANCE			

ESCROW PAYMENT

THREE MONTHS TOTAL MONTHLY RENTAL CHARGES (INCLUDING APPLICABLE TAXES)	967
--	-----

THE TERMS AND CONDITIONS ON THE REVERSE SIDE ARE PART OF THIS AGREEMENT WITH REGARD TO COPIER RENTAL, IN ADDITION TO THE TERMS AND CONDITIONS SPECIFIED ON THE REVERSE SIDE OF THIS AGREEMENT, THE CUSTOMER AGREES:

1. THAT AN AUTHORIZED REPRESENTATIVE OF THE CUSTOMER WILL SIGN, DATE AND SUBMIT TO IBM THE IBM COPIER USAGE CARD ON THE LAST WORKDAY OF EACH MONTH WHILE THIS AGREEMENT IS IN EFFECT.
2. TO MAKE AVAILABLE A KEY OPERATOR FOR TRAINING PURPOSES AND TO NOTIFY IBM OF ANY CHANGE IN KEY OPERATOR ASSIGNMENT.
3. TO PROVIDE AN APPROPRIATE GROUNDED ELECTRICAL OUTLET FOR THE EXCLUSIVE USE OF EACH UNIT OF EQUIPMENT.

International Business Machines Corporation		CUSTOMER NAME <i>Card for Congress Committee</i>	
PLEASE TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURE		ADDRESS <i>Box C-10 (4th & Main)</i>	
BRANCH OFFICE ADDRESS <i>1307 S. Boulder</i>		CITY AND STATE <i>Indianapolis, Ind.</i>	ZIP CODE <i>46201</i>
CITY AND STATE <i>Indianapolis, Ind.</i>	BR. OFF. NO. <i>17-T</i>	MARK FOR ATTENTION OFF	
BY IBM REPRESENTATIVE'S SIGNATURE <i>James M. White</i>	DATE <i>7/1/76</i>	BY CUSTOMER'S SIGNATURE <i>Robert J. Swearingin</i>	DATE <i>7-1-76</i>
		SIGNED BY - NAME	SIGNED BY - TITLE <i>RECTOR SWEARINGIN TREASURER</i>

2140-0220-6

THIS IS NOT AN INVOICE. PLEASE DO NOT PAY UNTIL INVOICED.

IBM DIRECT INQUIRIES TO:
D. BOX 1841
ANSA CITY MO

Invoice number
NE56120

Invoice date
08/25/70

Page number
1

IBM account number
9029900-00

Division

Accounts Rec.
Branch CR
171

IBM reference
86120

called at:
WARD FOR CONGRESS
COMMITTEE
1TH S MAD
DURANT

CK 74701

Invoice to:
WARD FOR CONGRESS
COMMITTEE
ATT RECTOR SWEARENGEN
PO BOX CW
DURANT

CH 74701

IBM

Office Products Division

Branch Office Copy

customer reference:
RECTOR SWEARENGEN

Send direct inquiries, correspondence and returns to:
1307 S DOULDER AVE
TULSA OK

74119

Terms:
NET CASH 30 DAYS
FROM INVOICE DATE

If name and address is other than shown
please correct on remittance copy.

Phone: (918) 583-5181 EXT

QTY DESCRIPTION	UNIT PRICE	Amount
INSTALLATION		
MAG CARD II TYPEWRITER	6610 - 0010011	
MONTHLY AVAILABILITY CHARGE	07/27 THRU 08/31 310.00	361.67
TRANSPORTATION CHGS-LOCAL DRAYAGE		63.12
STATE TAX		8.49
CITY TAX		8.49
PURCHASE CHARGE		
	.00	.00

Please refer to invoice number
or return copy when remitting

PAY THIS AMOUNT

Thank you

8441.77

International Business Machines Corporation

Please remit payment to:
PO BOX 1041,
KANSAS CITY MO

64141

Invoice number
KF48810

Invoice date
09/01/76

Page number
1

IBM account number
9526668-00

Division

Accounts Rec.
Branch Off.
177

IBM reference
48810

Installed at:
WARD FOR CONGRESS
COMMITTEE
4TH & MAIN
DURANT

OK 74701

Invoice to:
WARD FOR CONGRESS
COMMITTEE
ATT RECTOR SWEARENGEN
PO BOX CH
DURANT

OK 74701



Office Products Division

Branch Office Copy

Customer reference:
RECTOR SWEARENGEN

Please direct inquiries, correspondence and returns to:
4307 S BOULDER AVE
TULSA OK

74119

Terms:
NET CASH 30 DAYS
FROM INVOICE DATE

If name and address is other than shown
please correct on remittance copy.

Phone: (918) 583-5101 EXT

QTY DESCRIPTION

UNIT PRICE Amount

MAG CARD II TYPEWRITER

6010 - 0010877

MONTHLY AVAILABILITY CHARGE

09/01 THRU 09/30

310.00

310.00

STATE TAX

6.20

CITY TAX

6.20

Please refer to invoice number
or return copy when remitting

PAY THIS AMOUNT

Thank you

\$322.40

WARD FOR CONGRESS
RECTOR SWEARENGIN, TREASURER
BOX C W
DURANT, OKLA. 74701

361.

PAY TO THE ORDER OF

10 00 00
\$ 100.00

DOLLARS



FIRST NATIONAL BANK
DURANT, OKLAHOMA

WARD FOR CONGRESS

011112000871

00932133

00000074805

79040162761

Henry DeYoung
for deposit only
inst. 02/01/07

0022 07336

PAY TO BANK PER
FIRST NATIONAL BANK
MONTICELLO, OKLA
06-21


FEB 24 77

FEB 17 77 001 9919

01002
PAY ANY BANK
F.B.B. DALLAS
1110-0003
FEB 17 77 16
C-28

01015514

Handwritten signature and date: 10/15/1917



Ward for Congress Committee
by J. H. Swearingin, Treas.
L. B. I.
Pay to the order of
Livestock Breeders
International Association
Refund of contribution
for Livestock
Breeders
Association
Deposited to
the use of funds

581
Gantner
B: 02
5673

Stipe, Gossett, Stipe and Harper

ATTORNEYS AT LAW

Law Office Bldg.

323 E. Carl Albert Pkwy.

NOV 22 AM 9:31
Post Office Box 8

Area Code 918 423-0421

McAlester, Oklahoma 74501

Gene Stipe
Richard L. Gossett
Clyde Stipe
Eddie Harper

Roger O. Housley
James D. Wadley
Monte Brown

Oklahoma City Office
2915 Lincoln Blvd.
Area Code 405 524-2269

November 18, 1978

79040152764

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street N.W.
Washington, D.C. 20463

007962

Dear Mr. Oldaker,

In reply to your letter of November 8, 1978, I submit the following:

I talked with Rector Swearingen, Finance Chairman of the "Ward for Congress" Committee, regarding this note and he advised me that during the campaign there was to be a large group of us sign the note for which we would be individually liable but in no case would any of us be liable for more than \$1,000.00 and that because there was not a sufficient number of signers, the funds were never disbursed and none of the money found it's way into the campaign.

He further advises me that the above facts have been documented by affidavits. If the facts have not been documented by affidavits, I will be glad to do the same.

I definately recall having been reassured at the time I signed the note in blank that if there were not a sufficient number of signers, the note would be returned in order that we not violate the \$1,000.00 limit.

Respectfully,



Gene Stipe

GS/cs

7904016275
Stipe, Gossett, Stipe and Harper

ATTORNEYS AT LAW

Law Office Bldg.

323 E. Carl Albert Pkwy.

Post Office Box S

McAlester, Oklahoma 74501



Mr. William C. Oldaker, General Counsel
Federal Election Committee
1325 K. Street N. W.
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James Dula
President
Livestock Breeders
International, Inc.
Post Office Box 61
Rubottom, Oklahoma 73457

MUR 581 (78)

Dear Mr. Dula:

This is to inform you that the Federal Election Commission has found reason to believe that Livestock Breeders International, Inc., has violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe the corporation may have violated 2 U.S.C. § 441b(a) by making a contribution of \$500 to the Ward for Congress Committee on July 6, 1976. 2 U.S.C. § 441b(a) prohibits contributions by corporations to candidates for federal office.

Under the Act, you have an opportunity to demonstrate why no action should be taken against the corporation. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission

79040162766

to act on the information available to it. If the corporation intends to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter at (202) 523-4177.

Sincerely,

William C. Oldaker

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

79040162767

MUR 561 96

PS Form 3811, Apr. 1977

1. The following service is requested (check one):
☐ Show to whom and date delivered
☒ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
Show to whom and date delivered
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery &
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: James Dula
Livingston & Breeders International
P.O. Box 61
Cuba, Tex. 79406-0061

3. ARTICLE DESCRIPTION:
REGISTERED NO. 430068 CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee at agent)
I have received package described above.
SIGNATURE ☐ Address ☐ Address only
DATE OF DELIVERY NOV 1977
ADDRESS (Complete only if required)

6. UNABLE TO DELIVER BECAUSE

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James Dula
President
Livestock Breeders
International, Inc.
Post Office Box 61
Rubottom, Oklahoma 73457

MUR 581 (78)

Dear Mr. Dula:

This is to inform you that the Federal Election Commission has found reason to believe that Livestock Breeders International, Inc., has violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe the corporation may have violated 2 U.S.C. § 441b(a) by making a contribution of \$500 to the Ward for Congress Committee on July 6, 1976. 2 U.S.C. § 441b(a) prohibits contributions by corporations to candidates for federal office.

Under the Act, you have an opportunity to demonstrate why no action should be taken against the corporation. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission

79040152768

to act on the information available to it. If the corporation intends to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

11/2/78

19040152769



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Larry Allford
Box M
McAlester, Oklahoma 74501

Re: MUR 581

Dear Mr. Allford:

The Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. §441a(a)(1)(A) by making contributions of \$1,110 to the Ward for Congress Committee for the run-off election in 1976. 2 U.S.C. §441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. §437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

79040152770

This letter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

7 9 0 1 0 1 6 2 7 7 1

1. The following services are requested (check one): <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery (CONSULT POSTMASTER FOR FEES)		2. ARTICLE ADDRESSED TO: <i>Larry Aufderberg</i>	
3. ARTICLE DESCRIPTION REGISTERED NO. <i>438073</i>	CERTIFIED NO.	INSURED NO.	
I have received the article described above. SIGNATURE <i>[Signature]</i> Address <input type="checkbox"/> Authorized agent <input type="checkbox"/> (Always obtain signature of addressee or agent)			
4. DATE OF DELIVERY		5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE			

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Larry Allford
Box M
McAlester, Oklahoma 74501

Re: MUR 581

Dear Mr. Allford:

The Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. §441a(a)(1)(A) by making contributions of \$1,110 to the Ward for Congress Committee for the runoff election in 1976. 2 U.S.C. §441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. §437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. When appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

79040162772

This letter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish this investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

16
11/7/78

79040152773



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
c/o Durant Enterprises
600 Montgomery Drive
Durant, Oklahoma 74701

MUR 581(78)

Dear Mr. Massey:

This is to inform you that the Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. § 441a(a)(1)(A) by endorsing, with two others, a loan of \$8,000 from the First National Bank of Durant to the Ward for Congress Committee on September 20, 1976. 2 U.S.C. § 431(e)(5)(G)(ii) includes in the definition of a "contribution" an endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers. 2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in

79010153774

writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

79040162775

1. The following service is requested (check one)		
<input type="checkbox"/> REGULAR DELIVERY	Show to whom and date delivered	
<input type="checkbox"/> REGISTERED DELIVERY	Show to whom, date, and address of delivery	
<input type="checkbox"/> RESTRICTED DELIVERY	Show to whom and date delivered	
<input type="checkbox"/> RESTRICTED DELIVERY	Show to whom, date, and address of delivery	
CONSULT POSTMASTER FOR FEES		
2. ARTICLE ADDRESSED TO		
JIMMY THURLEY c/o District Attorney 1000 1st St. N.E. Washington, D.C. 20002		
3. ARTICLE DESCRIPTION		
REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	908025	
(Must contain signature of addressee or agent)		
I have received the article described above.		
SIGNATURE	<input type="checkbox"/> Addressee	<input type="checkbox"/> Authorized agent
<i>Marjorie DeLoach</i>		
DATE OF DELIVERY	POSTMARK	
11-14-78		
5. ADDRESS (Complete only if required)		
6. UNABLE TO DELIVER BECAUSE:		CLERK'S INITIALS
		<i>TL</i>

WFO 10740-240-000

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
c/o Durant Enterprises
600 Montgomery Drive
Durant, Oklahoma 74701

Dear Mr. Massey:

This is to inform you that the Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. § 441a(a)(1)(A) by endorsing, with two others, a loan of \$8,000 from the First National Bank of Durant to the Ward for Congress Committee on September 20, 1976. 2 U.S.C. § 481(e)(5)(G)(ii) includes in the definition of a "contribution" an endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers. 2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in

writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

19010152777
MG
11/7/78



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

MUR 581(78)

Mr. Eugene Stipe
P.O. Box S
McAlester, Oklahoma 74501

Dear Mr. Stipe:

This is to inform you that the Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. § 441a(a)(1)(A) by endorsing, with two others, a loan of \$8,000 from the First National Bank of Durant to the Ward for Congress Committee on September 20, 1976. 2 U.S.C. § 43.(e)(5)(G)(ii) includes in the definition of a "contribution" an endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers. 2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in

79010152778

writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

79040132779

U.S. MAIL
REGISTERED MAIL
INSURED MAIL
CERTIFIED MAIL

1. ADDRESSEE (Print name and address of addressee)
Add your address in the "RETURN TO" space on back

2. ARTICLE DESCRIPTION
REGISTERED NO. 43219 CERTIFIED NO. 43219 INSURED NO. 43219
(Always include signature of addressee or agent)
I have received the article described above.
SIGNATURE [Signature] ☒ Addressee ☐ Authorized agent
DATE OF DELIVERY NOV 13 1977 POSTMARK NOV 13 1977
3. ADDRESS (Complete only if requested)
4. UNABLE TO DELIVER BECAUSE:
★GPO 1977-0-240-005

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

MUR 581(78)

Mr. Eugene Stipe
P.O. Box 8
McAlester, Oklahoma 74501

Dear Mr. Stipe:

79040152780
This is to inform you that the Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. § 441a(a)(1)(A) by endorsing, with two others, a loan of \$8,000 from the First National Bank of Durand to the Ward for Congress Committee on September 20, 1976. 2 U.S.C. § 43.(e)(5)(G)(ii) includes in the definition of a "contribution" and endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers. 2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in

writing that you wish the investigation to be made
public. If you have any questions, please contact Ms.
Marsha Gentner, the staff member assigned to this matter,
at (202) 523-4177.

Sincerely,

William Co Oldaker
General Counsel

MLG
11/2/78

79040152781



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin
301 West Main Street
Durant, Oklahoma 74701

MUR 581(78)

Dear Mr. Swearengin:

This is to inform you that the Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. § 441a(a)(1)(A) by endorsing, with two others, a loan of \$8,000 from the First National Bank of Durant to the Ward for Congress Committee on September 20, 1976. 2 U.S.C. § 431(e)(5)(G)(ii) includes in the definition of a "contribution" an endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers. 2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in

79040162782

Sincerely,

cc: Ward for Congress Committee

[illegible]

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearingin
301 West Main Street
Durant, Oklahoma 74701

MUR 581(78)

Dear Mr. Swearingin:

7 9 0 4 0 1 5 2 7 8 4

This is to inform you that the Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. § 441a(a)(1)(A) by endorsing, with two others, a loan of \$8,000 from the First National Bank of Durant to the Ward for Congress Committee on September 20, 1976. 2 U.S.C. § 431(e)(5)(g)(ii) includes in the definition of a "contribution" and endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers. 2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to an individual or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in

writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 323-4177.

Sincerely,

William S. Oldaker
General Counsel

19040152785

MG
11/7/78



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 8, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearingin
Treasurer
Ward for Congress Committee
301 West Main Street
Durant, Oklahoma 74701

MUR 581(78)

Dear Mr. Swearingin:

This letter is to inform you that the Federal Election Commission has found reason to believe that the Ward for Congress Committee has violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that the Committee may have violated 2 U.S.C. § 432(c) by failing to maintain complete records for the financial activities of committee county chairpersons. 2 U.S.C. § 432(c) requires treasurers of political committees to keep detailed accounts of all contributions made to and for the committee, and of expenditures made by or on behalf of the committee. The Commission has found reason to believe the Committee may have violated 2 U.S.C. § 437b(a)(1) by not processing all Committee receipts and expenditures through a designated campaign depository, and 2 U.S.C. § 433(a)(b) and (c) by failing to disclose five campaign depositories. 2 U.S.C. § 433 requires political committees to list all campaign depositories in their statements of organization, and to amend that statement if any changes in the information contained in it occur. The Commission has also found reason to believe that the Committee may have violated 2 U.S.C. § 432(d) by failing to maintain proper documentation for 42 Committee expenditures, as § 432(d) requires committees to maintain receipted bills for expenditures aggregating in excess of \$100 to the same persons.

Additionally, the Commission has found reason to believe that the Committee violated 2 U.S.C. § 434(b)(2), (8), (9), and (11) by failing to report \$7,016.08 in

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receipts and \$10,971.10 in expenditures, and § 434(b)(12) by failing to report debts totaling \$6,926.11. 2 U.S.C. § 434(b)(8) and (11) requires political committees to report the total sums of all committee receipts and expenditures, § 434(b)(2) and (9) requires that political committees itemize all contributions by individuals to the Committee aggregating in excess of \$100 in a calendar year and to itemize all committee expenditures to recipients that aggregate in excess of \$100, and § 434(b)(12) requires continuous reporting of all of a political committee's debts until those debts are extinguished, and to file statements explaining how those debts were extinguished.

The Commission has found reason to believe that by accepting a contribution from Livestock Breeders International Association, the Committee may have violated 2 U.S.C. § 441b(a) which prohibits a political committee from accepting corporate contributions. And finally, the Commission has found reason to believe the Committee may have violated 2 U.S.C. § 441a(f) by accepting contributions from four individuals in excess of \$1,000 per election. 2 U.S.C. § 441a(f) prohibits political committees from accepting individual contributions from any person which in the aggregate exceeds \$1,000 per election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against the Committee. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath. You should note that 11 C.F.R. § 102.9(c)(4) permits cancelled checks plus bills, invoices or other contemporaneous memoranda to serve as adequate documentation for committee expenditures under 2 U.S.C. § 432(d) when no receipted bills are available. If you have sent letters to the vendors to whom the Committee made expenditures which were not properly documented, in order to secure the documentation required by 2 U.S.C. § 432(d), please send copies of those letters.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If the Committee intends to be represented by counsel in this matter, please have such counsel so notify us in writing.

79040162707

Sincerely,
W. J. O. Lee

William C. Oldaker
General Counsel

1. The following item(s) is/are requested (attach label) a. Item to which this label is attached _____ b. Reason for return, date, and address of delivery _____ c. POSTAGE GUARANTEED (check to return and date delivered) _____ d. POSTNET DELIVERY (check to return, date, and address of delivery) _____ (CONTACT POSTMASTER FOR FEES)		
2. ARTICLE ATTACHED TO <i>Robert W. Smith, Jr.</i> <i>Durham, OK 74701</i>		
3. ARTICLE DESCRIPTION	REGISTERED NO.	CERTIFIED NO.
		INSURED NO.
4. <i>408069</i> (Signer should sign name of addressee or agent)		
I have received the article described above. SIGNATURE <input checked="" type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent		
DATE OF DELIVERY <i>11-13-78</i>		POSTMARK
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE:		CLERK'S INITIALS
		<i>XX</i>

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearingin
Treasurer
Ward for Congress Committee
301 West Main Street
Durant, Oklahoma 74701

MUR 581(28)

Dear Mr. Swearingin:

This letter is to inform you that the Federal Election Commission has found reason to believe that the Ward for Congress Committee has violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that the Committee may have violated 2 U.S.C. § 432(c) by failing to maintain complete records for the financial activities of Committee county chairpersons. 2 U.S.C. § 432(c) requires treasurers of political committees to keep detailed accounts of all contributions made to and for the committee, and of expenditures made by or on behalf of the committee. The Commission has found reason to believe the Committee may have violated 2 U.S.C. § 437b(a)(1) by not processing all Committee receipts and expenditures through a designated campaign depository, and 2 U.S.C. § 433(a)(b) and (c) by failing to disclose five campaign depositories. 2 U.S.C. § 433 requires political committees to list all campaign depositories in their statements of organization, and to amend that statement if any changes in the information contained in it occur. The Commission has also found reason to believe that the Committee may have violated 2 U.S.C. § 432(d) by failing to maintain proper documentation for 42 Committee expenditures, as § 432(d) requires committees to maintain receipted bills for expenditures aggregating in excess of \$100 to the same persons.

Additionally, the Commission has found reason to believe that the Committee violated 2 U.S.C. § 434(b)(2), (8), (9), and (11) by failing to report \$7,016.08 in

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receipts and \$10,971.10 expenditures by failing to report debts totaling \$6,926.11. 2 U.S.C. § 434(b)(8) and (11) requires political committees to report the total sums of all committee receipts and expenditures, § 434(b)(2) and (9) requires that political committees itemize all contributions by individuals to the Committee aggregating in excess of \$100 in a calendar year and to itemize all committee expenditures to recipients that aggregate in excess of \$100, and § 434(b)(12) requires continuous reporting of all of a political committee's debts until those debts are extinguished, and to file statements explaining how those debts were extinguished.

The Commission has found reason to believe that by accepting a contribution from Livestock Breeders International Association, the Committee may have violated 2 U.S.C. § 441b(a) which prohibits a political committee from accepting corporate contributions. And finally, the Commission has found reason to believe the Committee may have violated 2 U.S.C. § 441a(f) by accepting contributions from four individuals in excess of \$1,000 per election. 2 U.S.C. § 441a(f) prohibits political committees from accepting individual contributions from any person which in the aggregate exceeds \$1,000 per election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against the Committee. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath. You should note that 11 C.F.R. § 102.9(c)(4) permits cancelled checks plus bills, invoices or other contemporaneous memoranda to serve as adequate documentation for committee expenditures which were not properly documented by the committee. If you have any questions, please contact the Commission's staff. Sincerely,
The Commission

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If the Committee intends to be represented by counsel in this matter, please have such counsel so notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Bentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

MB
11/7/28

79040162791

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Ward for Congress Committee)

MUR 581 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 7, 1978, the Commission determined by a vote of 5-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated October 18, 1978, regarding the above-captioned matter:

1. Find reason to believe the Ward for Congress Committee has violated the following provisions of the Federal Election Campaign Act of 1971, as amended:
 - a. 2 U.S.C. §432(c) by failing to maintain complete records of the financial activities of county chairpersons.
 - b. 2 U.S.C. §437b(a)(1) by not processing receipts and expenditures through a designated campaign depository.
 - c. 2 U.S.C. §432(d) by failing to maintain proper documentation for 42 expenditures by the Committee.
 - d. 2 U.S.C. §434(b)(2)(8)(9) and (11) by failing to report \$7,016.08 in receipts and \$10,971.10 in expenditures.
 - e. 2 U.S.C. §434(b)(12) by failing to report debts totalling \$6,926.11.

Continued

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- f. 2 U.S.C. §433(b)(9) and (c) by failing to disclose five depositories.
 - g. 2 U.S.C. §441a(f) by accepting contributions from individuals in excess of \$1,000 per election.
 - h. 2 U.S.C. §441b(a) by accepting a corporate contribution.
2. Find reason to believe that Livestock Breeders International Association made a contribution to the Ward for Congress Committee in violation of 2 U.S.C. §441b(a).
 3. Find reason to believe that Mr. Larry Allford, Mr. John Massey, Mr. Eugene Stipe, and Mr. Rector Swearengin made contributions to the Ward for Congress Committee exceeding \$1,000 per election in violation of 2 U.S.C. §441a(a)(1)(A).
 4. Send the letters attached to the above-named report.

Voting for this determination were Commissioners
Springer, Aikens, Tiernan, McGarry, and Harris.

Attest:

11/7/78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Report signed by the General Counsel: 11-2-78
Received in Office of Commission Secretary: 11-3-78, 7:45 a.m.
Circulated on 48 hour vote basis: 11-3-78, 12:00

November 2, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 581

Please have the attached General Counsel's Report on MUR 581 distributed to the Commission on a 48 hour tally basis.

Thank you.

19040152794

BEFORE THE FEDERAL ELECTION COMMISSION

October 18, 1978

In the Matter of)

MUR 581 (78)

Ward for Congress Committee)

GENERAL COUNSEL'S REPORT

Background

After this matter was referred to the General Counsel's Office and referenced above, the General Counsel's Office conferred with the audit staff and concluded that the Committee records were in such poor condition that the auditors were not ready to provide a full referral. The Ward for Congress Committee ("the Committee") requested and was granted a thirty-day extension to compile missing records and documents and to put what was already available in some kind of order. However, no significant additional information had been submitted by the Committee by the time the extension expired in mid-August. On August 28, 1978, the Commission voted to withhold action for two weeks on this matter pending the continued efforts by the auditors to secure the needed information from the Committee, but during this extension of time no other materials were produced by the Committee. On October 10, 1978, the Audit Division again referred this matter to the General Counsel's Office for compliance action.

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Summary of Allegations

As a result of its audit of the Committee, the Audit Division has cited the apparent violations of the Federal Election Campaign Act:

1. The Committee failed to report \$7,016.08 in receipts and \$10,971.10 in expenditures in violation of 2 U.S.C. § 434(b)(2), (8), (9), and (11).

2. Contributions were received and expenditures made by the Committee which were not processed through a designated campaign depository in violation of 2 U.S.C. § 437b(a)(1).

3. The Committee failed to maintain complete records of financial activities carried on by "County Chair People" on behalf of the Committee in violation of 2 U.S.C. § 432(c).

4. Livestock Breeders International Association of Rubottom, Oklahoma, made a \$500 corporate contribution to the Committee in violation of 2 U.S.C. § 441b(a).

5. The Committee accepted a \$500 corporate contribution from Livestock Breeders International Association in violation of 2 U.S.C. § 441b(a).

6. The Committee failed to report debts totalling \$6,926.11 in violation of 2 U.S.C. § 434(b)(12).

7. The Committee failed to maintain proper supporting documentation for 42 expenditures in violation of 2 U.S.C. § 432(d).

8. The Committee failed to disclose five repositories in violation of 2 U.S.C. § 433(b)(9) and (c).

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9. Four individuals made contributions to the Committee in excess of \$1,000 for one election in violation of 2 U.S.C. § 441a(a)(1)(A).

10. The Committee accepted in excess of \$1,000 in contributions from an individual in violation of 2 U.S.C. § 441a(f).

Preliminary Legal Analysis

Failure to maintain records of receipts and expenditures

2 U.S.C. § 432(c) requires treasurers of political committees to keep detailed and exact accounts of all contributions made to and for the committee, and of expenditures made by or on behalf of the committee. Here the auditors found that the Committee had apparently maintained incomplete records on the financial activities of 39 individuals who acted as "County Chair People" in 23 counties. Further investigation by the auditors showed that only ten of these counties carried on significant financial activities. Four of these counties maintained bank accounts, but six counties apparently maintained no bank accounts and thus did not process their receipts and expenditures through a designated depository, in possible violation of 2 U.S.C. § 437b(a)(1). The only other records maintained by the Committee pertaining to the financial activity of these ten counties were hand or typewritten "lists" of receipts and expenditures, kept by the county chair people, without any further descriptions, explanations, or information. On March 30, 1978, the auditors recommended that the Committee treasurer contact all county chairpersons and obtain records relating to receipts, expenditures, debts, and obligations not currently available to the Committee; however, the Committee says its efforts in this regard have been futile.

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Also, based on the lists kept by the counties and bank statements for the counties that had bank accounts, the auditors discovered that four counties apparently "documented" expenditures in excess of receipts (1 county having an overdrawn balance in its bank account of \$144), indicating that perhaps records of certain loans and/or contributions were not kept by the Committee, in possible violation of 2 U.S.C. § 432(c).

It is therefore recommended that the Commission find reason to believe that the Committee apparently violated 2 U.S.C. § 432(c) and § 437b(a)(1).

Failure to report receipts and expenditures

2 U.S.C. § 434(b)(8) and (11) requires political committees to report the total sums of all committee receipts and expenditures while 2 U.S.C. § 434(b)(2) and (9) requires committees to itemize all contributions by individuals to the Committee aggregating in excess of \$100 within the calendar year and to itemize all committee expenditures to recipients that aggregate in excess of \$100.

A comparison by the auditors of Committee records with its reports revealed estimated receipts received by the Committee totaling \$141,881.49 of which \$7,016.08 had not been reported, and expenditures by county chairpersons and the Committee of \$143,560.30 of which \$10,971.10 had not been reported. Because the Committee has not yet filed a comprehensive amended report supplying this information, the Office of General Counsel recommends that the Commission find reason to believe that the Committee apparently violated 2 U.S.C. § 434(b)(2), (8), (9), and (11).

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Corporate Contribution

2 U.S.C. § 441b(a) prohibits the making or acceptance of corporate contributions. Committee records revealed the Committee had received a \$500 contribution from Livestock Breeders International Association of Rubottom, Oklahoma. Mr. Jim Dula, president of the corporation, has written to the Committee stating that the contribution was made on behalf of himself and not the corporation. In his letter, Mr. Dula spells out an arrangement between himself and the corporation which appears to involve a reimbursable drawing account. No evidence has been provided that this account has in fact been reimbursed by Mr. Dula for the contributions made to the Committee.

Debts and Obligations

2 U.S.C. § 434(b)(12) requires committees to continuously report debts and obligations until those debts are extinguished, and to file statements concerning the circumstances involved in this extinguishment. The auditors found that the Committee failed to report seven debts totaling \$7,453.14. Despite recommendations by the Audit Division made on March 30, 1978, to file reports disclosing all outstanding debts and obligations or debt settlement statements, the Committee still has not provided any additional information as to six of these debts (\$6,926.11). It is therefore recommended that the Commission find reason to believe that the Committee apparently violated 2 U.S.C. § 434(b)(12).

Disclosure of Depositories

2 U.S.C. § 433(b)(9) and (c) require committees to indicate in their statements of organization a listing of depositories to be

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used, and to report any changes in this information to the Commission. Here the auditors discovered that five of six depositories used by the Committee had not been disclosed in the Committee's statement of organization, the treasurer stating that he was unaware of their existence when the statement was filed. No amendment of the statement has been submitted.

Inadequate Documentation of Expenditures

2 U.S.C. § 432(d) requires committees to maintain receipted bills for expenditures aggregating in excess of \$100 to the same persons. 11 C.F.R. §102.9(c)(4) provides for substitution of cancelled checks plus bills, invoices or other contemporaneous memoranda when receipted bills are not available.

The auditors found that the Committee had not maintained proper supporting documentation for 81 expenditures totalling \$58,866.24. The auditors recommended that the Committee obtain appropriate documentation for these expenditures, and the Committee has been able to comply with this recommendation for 39 of the expenditures, leaving 42 expenditures for which there is still no supporting documentation. The Office of General Counsel recommends that the Commission find reason to believe the Committee has violated 2 U.S.C. § 432(d).

Excessive Contributions

2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election. 2 U.S.C. § 431(e)(5)(G)(ii) includes in the definition of a "contribution" an endorsement of a bank loan, the

amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers.

The auditors found that on September 20, 1976, the Committee obtained a \$8,000 loan from the First National Bank of Durant. This loan was endorsed by Mr. Eugene Stipe, Mr. John Massey, and Mr. Rector Swearengin, making each endorser liable for \$2,666.66 and thus placing each in excess of the \$1,000 limitation. The Committee repaid the loan on October 27, 1976, reportedly after the treasurer realized that the endorsers had exceeded their contribution limit.

The auditors also found that one county chairman, Mr. Larry Allford had contributed \$1,110.00 to the Committee in the form of expenditures made on behalf of the Committee between the date of the primary election and that of the runoff election. There has been no indication that a portion of these expenditures involved payment of debts related to the primary election. Therefore, Mr. Allford appears to have exceeded the \$1,000 contribution limitation as to the runoff election.

RECOMMENDATIONS

1. Find reason to believe the Ward for Congress Committee has violated the following provisions of the Federal Election Campaign Act of 1971, as amended:

a. 2 U.S.C. § 432(c) by failing to maintain complete records of the financial activities of county chairpersons.

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b. 2 U.S.C. § 437b(a)(1) by not processing receipts and expenditures through a designated campaign depository.

c. 2 U.S.C. § 432(d) by failing to maintain proper documentation for 42 expenditures by the Committee.

d. 2 U.S.C. § 434(b)(2)(8)(9) and (11) by failing to report \$7,016.08 in receipts and \$10,971.10 in expenditures.

e. 2 U.S.C. § 434(b)(12) by failing to report debts totalling \$6,926.11.

f. 2 U.S.C. § 433(b)(9) and (c) by failing to disclose five depositories.

g. 2 U.S.C. § 441a(f) by accepting contributions from individuals in excess of \$1,000 per election.

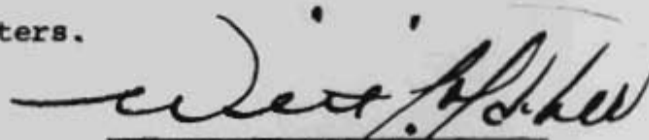
h. 2 U.S.C. § 441b(a) by accepting a corporate contribution.

2. Find reason to believe that Livestock Breeders International Association made a contribution to the Ward for Congress Committee in violation of 2 U.S.C. § 441b(a).

3. Find reason to believe that Mr. Larry Allford, Mr. John Massey, Mr. Eugene Stipe, and Mr. Rector Swearengin made contributions to the Ward for Congress Committee exceeding \$1,000 per election in violation of 2 U.S.C. § 441a(a)(1)(A).

4. Send the attached letters.

11/2/78
Date


William C. Oldaker
General Counsel

Attachments:

Audit referral
Letters of notification to the respondents

79010153802



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 10, 1978

MEMORANDUM

TO : BILL OLDAKER

THROUGH : ORLANDO B. POTTER *OBP*

FROM : *RC* BOB COSTA/RAY LISI *RJ2*

SUBJECT : STATUS OF WARD FOR CONGRESS COMMITTEE
AUDIT

The purpose of this memorandum is to inform your office of the changes to the status of the Ward for Congress Committee ("the Committee") audit subsequent to its referral to your office on May 10, 1978 (MUR 581):

On May 31, 1978 Mr. Ward ("the Candidate") requested an extension of time in which to supply the information requested in the audit letter. (See Attachment) On June 14, 1978, the Audit Division granted a 30 day extension commencing on July 3, 1978, the date the Candidate received the extension letter. On July 6, 1978, Mr. Mike Reed called Ray Lisi of the Audit Division to inform him that he was assisting the Committee in gathering the required information. Mr. Reed is a Washington attorney who is assisting the Candidate as a favor. On August 4, 1978, Mr. Reed supplied to the Audit Division the records maintained at the Committee's headquarters in Oklahoma. All of the records provided had been previously reviewed during initial fieldwork. Mr. Reed stated that no new information concerning county records had been obtained. The Audit Division reviewed the records received together with the records received previously from the counties and returned them to Mr. Reed on September 21, 1978.

Following is an update on the findings included in the March 30, 1978 letter to the Committee based on the review of the records and the Committee's efforts to supply additional information.



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A. Recordkeeping

1) The Committee did not provide any additional records pertaining to activity in the counties, therefore, the records provided for three (3) counties still indicate total expenditures exceeding total receipts. Mr. Reed stated that the Treasurer had contacted all of the counties but he had not been able to obtain any additional records. Mr. Reed said he will concentrate his activities on these three (3) counties and attempt to clear the discrepancies.

2) Copies of all known bank accounts maintained in the counties have been received and reviewed. The last statement provided by LeFlore county indicates an overdrawn balance of \$144.00. Mr. Reed stated that he would contact the individual responsible for that county in order to clear up the matter.

3) In the six (6) remaining counties that reported receipts and expenditures to the Treasurer, it appears that contributions were received and expenditures made which were not processed through a designated campaign depository in apparent violation of Section 437b(a)(1) of Title 2 U.S.C.

B. Reporting of Receipts and Expenditures

With the records available, the Audit staff was able to compute total receipts and expenditures for the accounts maintained by the Treasurer and the four counties. The figures for the six remaining counties include the differences cited in A(1) above. The figures for the six counties are based on the records available and cannot be verified, since the only records provided consist of handwritten and typed lists of contributors and in only some cases receipts for expenditures.

Relying on the records available the adjusted figures cited in finding B are:

Adjusted Receipts	\$141,881.49*	Adjusted Expenditures	\$143,560.30*
Reported Receipts	<u>\$134,865.41</u>	Reported Expenditures	<u>\$132,589.20</u>
Difference	\$ 7,016.08	Difference	\$ 10,971.10

* Due to differences cited in A(1) and (2) above, the Committee's expenditures exceed its receipts by \$1,678.81.

C. Corporate Contribution

Mr. Reed provided the Audit staff with a copy (front only) of a check drawn on the Candidate's account refunding the contribution. A copy of the cancelled check will be provided once it clears the bank.

D. Debts and Obligations

Mr. Reed was able to provide a paid invoice totaling \$527.03 to support one debt listed in the original finding reducing the total to \$6,926.11. He stated that he had contacted the remaining vendors with outstanding balances but had not received responses.

E. Disclosure of Transfers

The Committee has prepared a schedule itemizing the transfers. It has not been filed at the request of the Audit Division in order that it be incorporated into a comprehensive amendment which will be required once all reporting adjustments are determined.

F. Disclosure of Depositories

The Committee was provided a list of the undisclosed depositories and agreed to file an amendment to the statement of organizations disclosing the depositories.

G. Expenditures Not Fully Supported

Mr. Reed provided the Audit staff with supporting documentation for 39 of the 81 expenditures requested in the audit letter. The Committee is sending second letters requesting the documentation for the remaining 42 expenditures.

H. Contributions in Excess of Limit

The Committee is attempting to gather documentation from the contributor verifying that he was reimbursed by the Committee for some of the expenditures made.

I. Cash Contributions in Excess of Limit

The Committee provided documentation from the contributor stating that the contribution actually consisted of two separate one hundred dollar contributions from himself and another person and fifty dollars from four (4) other contributors. The committee attributed the entire contribution to the one contributor in error. They have agreed to amend their reports accordingly.

Based on the facts outlined above the Audit Division makes the following recommendations: The Committee has complied with the recommendation in finding I and has produced evidence that it can amend the public record for findings F and F. Therefore, the Audit Division recommends no further action on findings E, F, and I. However, as noted above, the Committee has still not substantially complied with the remaining findings. Committee officials have continuously expressed their desire to comply with the statute, but their efforts to date have not produced significant results. The Audit Division believes that it has provided as much assistance to the Committee as possible. The Audit Division therefore, recommends that your office proceed with its preliminary legal analysis on the remaining findings. If and when additional information is received concerning these matters, your office will be notified. If you have any questions please contact Ray Lisi at extention 3-4155.



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 30, 1978

Mr. Rector Swearengin, Treasurer
Ward for Congress Committee
301 West Main Street
Durant, Oklahoma 74701

Dear Mr. Swearengin:

The attached is to formally advise you of the findings and recommendations of the Audit staff resulting from the audit of the Ward for Congress Committee. These matters were discussed with your committee at the conclusion of the fieldwork in Durant, Oklahoma on November 4, 1977.

You are requested to comply with the stated recommendations within 30 days of the receipt of this letter. After expiration of the 30 day period, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. Efforts to comply with the recommendations will be noted in the report when presented. Failure to comply with the recommendations will also be noted.

If you have any questions, please do not hesitate to contact Ms. Joanne McSorley or Mr. Ray Lisi at (202) 523-4155.

Sincerely,

Robert J. Costa
Assistant Staff Director
for the Audit Division

Attached as stated

cc: Charles L. Ward

CERTIFIED MAIL:
RETURN RECEIPT REQUESTED



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A. Recordkeeping

Section 432(c) of Title 2, United States Code, states that it is the duty of the treasurer of a political committee to keep a detailed and exact account of (1) all contributions made to or for such committee; (2) the identification of every person making a contribution in excess of \$50, and the date and amount thereof, and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any); (3) all expenditures made by or on behalf of such committee; and (4) the identification of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and the office sought by, each candidate on whose behalf such expenditure was made.

A review of the Committee's receipt and expenditure records revealed that the Committee maintained incomplete records on the financial activities of individuals acting on the Committee's behalf in various counties. The Audit staff was provided with a list of 39 individuals identified as "County Chair People" operating on behalf of the Committee in 23 counties. Based on the records available to the Audit staff, it was determined that records maintained by four (4) county organizations reflect more in expenditures than receipts. During telephone conversations with the Audit staff, other county chairpersons indicated the possibility of additional information concerning receipts, expenditures, and debts and obligations not supplied to the Committee and not reported. In addition, although requested, one (1) of the four (4) county organizations that maintained a checking account has not supplied the Audit staff with its bank records. The treasurer of the Committee has stated that he attempted to report all county activity but that he did not have control over the individual counties involved.

Recommendation

The Audit staff recommends that the Committee contact all county chairpersons and obtain all records relating to receipts, expenditures, and debts and obligations not currently in its possession and submit these for review by the Audit staff within 30 days of receipt of this letter.

Section 434 (8) and (11) of Title 2, United States Code, states in part, that a political committee shall report the total sum of all receipts for the committee and the total sum of expenditures made by the committee during the calendar year. In addition, Section 434(b)(2) and (9) of Title 2, United States Code, requires a committee to report the full name and mailing address (occupation and principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions; and, the identification of each person to whom expenditures have been made by the committee or on behalf of the committee or candidate within the calendar year in an aggregate amount or value in excess of \$100 with the amount, date, and purpose of the expenditure.

A comparison of the Committee's records with its reports filed indicate county activity of \$13,237.79 in total receipts of which only \$4,357.00 has been reported, leaving an unreported balance of \$8,880.70. In addition, the records indicate expenditures totaling \$14,546.10 of which only \$3,812.83 has been reported leaving an unreported balance of \$10,733.27. The unreported receipts accounted for 6.18% of the total dollar volume of reported Committee receipts and the unreported expenditures accounted for 7.49% of the total dollar volume of reported Committee expenditures. The receipts and expenditures were not reported due to incomplete records maintained by the county organizations. Due to the incomplete records maintained by the Committee, these totals have not been verified as accurate by the Audit staff and are subject to change.

Recommendation

The Audit staff recommends that the Committee file amended reports within 30 days of receipt of this letter to include the unreported receipts and expenditures, itemizing those aggregating in excess of \$100, and any additional receipts and expenditures determined to have been made by the county organizations for which the Committee did not have records available at the time of the audit.

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Section 441(b) of Title 2, United States Code, states in part, that it is unlawful for any corporation to make a contribution or expenditure in connection with any election to any political office or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section.

A review of the Committee's contribution records revealed a \$500 contribution received from Livestock Breeders Association, Rubottom, Oklahoma, on July 6, 1976. Verification with the Oklahoma Secretary of State disclosed a registered corporation - Livestock Breeders International Association - registered on March 26, 1973. The Committee provided the Audit staff with an envelope listing Livestock Breeders International, Inc., as a return address.

The treasurer of the Committee stated that he was not aware of the possibility that this contribution was from a corporation.

Recommendation

The Audit staff recommends that the Committee present to the Audit staff evidence that the contribution did not contain corporate funds or refund the contribution and submit documentation thereof to the Audit staff within 30 days of receipt of this letter.

D. Debts and Obligations

Section 434(b)(12) of Title 2, United States Code, states in part, that a political committee's reports shall disclose the amount and nature of debts and obligations owed by the committee and a continuous reporting of their debts and obligations after the election until such debts and obligations are extinguished together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor.

A comparison of the Committee's expenditures made and invoices maintained revealed seven (7) invoices totaling \$7,453.14 for which no indication of payment nor debt settlement statement was provided by the Committee. The Committee did not disclose the debts on a debt and obligation schedule and has filed a termination report. The treasurer of the Committee stated that some bills were not paid due to lack of funds and also because the Committee was not aware they had been incurred. In addition, he indicated that it was possible that other unpaid debts existed for which the Committee did not have records.

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The Audit staff commends that the Committee resume filing reports disclosing all debts and obligations until extinguished or provide information on the settlement of the debts.

E. Disclosure of Transfers

Section 434(b)(4) of Title 2, United States Code, states that a committee shall include in its reports the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers.

The Committee received 11 transfers from ten (10) political committees totaling \$1,230.50 which were not itemized on its reports filed. These transfers amounted to 6.07% of the dollar volume and 28.95% of the total number of transfers received by the Committee. The Committee offered no explanation for not itemizing the transfers.

Recommendation

The Audit staff recommends that the Committee file an amended report itemizing the transfers within 30 days of receipt of this letter.

F. Disclosure of Depositories

Section 433(b)(9) and (c) of Title 2, United States Code, requires a committee to include on its statement of organization a listing of all banks, safety deposit boxes, or other repositories used and report any change in information previously submitted in a statement of organization to the Commission within a 10 day period following the change.

During the course of the audit, it was determined that the Committee maintained six (6) checking accounts in six (6) depositories. Five (5) of these depositories were not disclosed on the Committee's statement of organization filed on June 23, 1976. The treasurer of the Committee stated that the undisclosed accounts were maintained by county organizations and he was unaware of their existence at the time the statement was filed.

Recommendation

The Audit staff recommends that the Committee file an amended statement to include the missing information within 30 days of receipt of this letter.

6. Expenditure Not Fully Supported

Section 432(d) of Title 2, United States Code, states in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of \$100, and for expenditures in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

Section 102.9(c)(4) of the Commission's Regulations states in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum.

The Committee did not maintain proper supporting documentation for 81 expenditures made, totaling \$58,866.24. These expenditures accounted for 47.89% of the total dollar amount and 32.40% of the total number of expenditures requiring such documentation. The Committee treasurer stated that he would attempt to gather the missing information.

Recommendation

The Audit staff recommends that the Committee obtain supporting documentation for the 81 expenditures and submit copies for review, or present evidence of their efforts to do so, within 30 days of receipt of this letter.

H. Contributions in Excess of Limit

Section 441a(a)(1)(A) of Title 2, United States Code, and Section 110.1(a)(1) of the Commissions Regulations state that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. In addition, Section 110.9(a) of the Commission's Regulations states in part, that no candidate or political committee shall accept any contribution or make any expenditure in violation of Part 110.

A review of the Committee's records revealed \$1,979.40 in contributions made to the Committee and expenditures made on behalf of the Committee by a county chairman from July 24, 1976 through October 14, 1976. One thousand one hundred and ten dollars of this amount was expended between the date of the primary (August 24, 1976) and the runoff election (September 21, 1976). Therefore, it appears the individual exceeded his personal contribution limit for the runoff election.

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Recommendation

It is the recommendation of the Audit staff that the Committee either present evidence that the excessive portion of the contribution relates to other than the runoff election or refund the amount in excess of the limit to the contributor within 30 days of receipt of this letter.

I. Cash Contributions in Excess of Limit

Section 441g of Title 2, United States Code, states that no person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

Contribution records maintained by the Committee indicate the receipt of \$250 in cash on September 13, 1976 attributed to one (1) individual. The Committee treasurer could offer no explanation as to why the contribution was accepted.

Recommendation

The Audit staff recommends that the Committee refund the amount in excess of the limit to the contributor and submit copies of both sides of the refund check within 30 days of receipt of this letter.

J. Other Matters

Presented below are other matters noted during the audit for which the staff feels no further Commission action is warranted. The Committee was made aware of the discrepancies and informed of the respective requirements of the Act.

On September 20, 1976, the Committee received an \$8,000 loan from the First National Bank of Durant with only three (3) endorsers. When the Committee treasurer realized the endorsers had exceeded their contribution limit the Committee repaid the loan on October 27, 1976.

In four (4) instances the Committee drew checks payable to cash in excess of \$100 which were not used to replenish a petty cash fund. The payments totaled \$1,233.60 and were paid to various campaign workers in reimbursement for duties performed.



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin
Treasurer
Ward for Congress Committee
301 West Main Street
Durant, Oklahoma 74701

MUR 581 (78)

Dear Mr. Swearengin:

This letter is to inform you that the Federal Election Commission has found reason to believe that the Ward for Congress Committee has violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe that the Committee may have violated 2 U.S.C. § 432(c) by failing to maintain complete records for the financial activities of committee county chairpersons. 2 U.S.C. § 432(c) requires treasurers of political committees to keep detailed accounts of all contributions made to and for the committee, and of expenditures made by or on behalf of the committee. The Commission has found reason to believe the Committee may have violated 2 U.S.C. § 437b(a)(1) by not processing all Committee receipts and expenditures through a designated campaign depository, and 2 U.S.C. § 433(a)(b) and (c) by failing to disclose five campaign depositories. 2 U.S.C. § 433 requires political committees to list all campaign depositories in their statements of organization, and to amend that statement if any changes in the information contained in it occur. The Commission has also found reason to believe that the Committee may have violated 2 U.S.C. § 432(d) by failing to maintain proper documentation for 42 Committee expenditures, as § 432(d) requires committees to maintain receipted bills for expenditures aggregating in excess of \$100 to the same persons.

Additionally, the Commission has found reason to believe that the Committee violated 2 U.S.C. § 434(b)(2), (8), (9), and (11) by failing to report \$7,016.08 in

receipts and \$10,971.10 in expenditures, and § 434(b)(12) by failing to report debts totaling \$6,926.11. 2 U.S.C. § 434(b)(8) and (11) requires political committees to report the total sums of all committee receipts and expenditures, § 434(b)(2) and (9) requires that political committees itemize all contributions by individuals to the Committee aggregating in excess of \$100 in a calendar year and to itemize all committee expenditures to recipients that aggregate in excess of \$100, and § 434(b)(12) requires continuous reporting of all of a political committee's debts until those debts are extinguished, and to file statements explaining how those debts were extinguished.

The Commission has found reason to believe that by accepting a contribution from Livestock Breeders International Association, the Committee may have violated 2 U.S.C. § 441b(a) which prohibits a political committee from accepting corporate contributions. And finally, the Commission has found reason to believe the Committee may have violated 2 U.S.C. § 441a(f) by accepting contributions from four individuals in excess of \$1,000 per election. 2 U.S.C. § 441a(f) prohibits political committees from accepting individual contributions from any person which in the aggregate exceeds \$1,000 per election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against the Committee. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath. You should note that 11 C.F.R. § 102.9(c)(4) permits cancelled checks plus bills, invoices or other contemporaneous memoranda to serve as adequate documentation for committee expenditures under 2 U.S.C. § 432(d) when no receipted bills are available. If you have sent letters to the vendors to whom the Committee made expenditures which were not properly documented, in order to secure the documentation required by 2 U.S.C. § 432(d), please send copies of those letters.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If the Committee intends to be represented by counsel in this matter, please have such counsel so notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Rector Swearengin
301 West Main Street
Durant, Oklahoma 74701

MUR 581(78)

Dear Mr. Swearengin:

This is to inform you that the Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. § 441a(a)(1)(A) by endorsing, with two others, a loan of \$8,000 from the First National Bank of Durant to the Ward for Congress Committee on September 20, 1976. 2 U.S.C. § 431(e)(5)(G)(ii) includes in the definition of a "contribution" an endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers. 2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in

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writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

MUR 581(78)

Mr. Eugene Stipe
P.O. Box S
McAlester, Oklahoma 74501

Dear Mr. Stipe:

This is to inform you that the Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. § 441a(a)(1)(A) by endorsing, with two others, a loan of \$8,000 from the First National Bank of Durant to the Ward for Congress Committee on September 20, 1976. 2 U.S.C. § 43.(e)(5)(G)(ii) includes in the definition of a "contribution" an endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers. 2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in

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writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. John Massey
c/o Durant Enterprises
600 Montgomery Drive
Durant, Oklahoma 74701

MUR 581(78)

Dear Mr. Massey:

This is to inform you that the Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. § 441a(a)(1)(A) by endorsing, with two others, a loan of \$8,000 from the First National Bank of Durant to the Ward for Congress Committee on September 20, 1976. 2 U.S.C. § 431(e)(5)(G)(ii) includes in the definition of a "contribution" an endorsement of a bank loan, the amount of such contribution being determined by the proportion of the unpaid balance which each endorser bears to the total number of endorsers. 2 U.S.C. § 441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in

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writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

79010162822



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Larry Allford
Box M
McAlester, Oklahoma 74501

Re: MUR 581

Dear Mr. Allford:

The Federal Election Commission has found reason to believe that you have violated the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission has found reason to believe you may have violated 2 U.S.C. §441a(a)(1)(A) by making contributions of \$1,110 to the Ward for Congress Committee for the run-off election in 1976. 2 U.S.C. §441a(a)(1)(A) limits to \$1,000 the amount an individual may contribute to a candidate or committee with respect to an election.

Under the Act, you have an opportunity to demonstrate why no action should be taken against you. 2 U.S.C. §437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission to act on the information available to it. If you intend to be represented by counsel in this matter, please have such counsel notify us in writing.

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This letter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter, at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. James Dula
President
Livestock Breeders
International, Inc.
Post Office Box 61
Rubottom, Oklahoma 73457

MUR 581 (78)

Dear Mr. Dula:

This is to inform you that the Federal Election Commission has found reason to believe that Livestock Breeders International, Inc., has violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the Commission has found reason to believe the corporation may have violated 2 U.S.C. § 441b(a) by making a contribution of \$500 to the Ward for Congress Committee on July 6, 1976. 2 U.S.C. § 441b(a) prohibits contributions by corporations to candidates for federal office.

Under the Act, you have an opportunity to demonstrate why no action should be taken against the corporation. 2 U.S.C. § 437g(a)(4). Please submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements or explanations should be made under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. Failure to do so may require the Commission

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to act on the information available to it. If the corporation intends to be represented by counsel in this matter, please have such counsel notify us in writing.

This letter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify us in writing that you wish the investigation to be made public. If you have any questions, please contact Ms. Marsha Gentner, the staff member assigned to this matter at (202) 523-4177.

Sincerely,

William C. Oldaker
General Counsel

cc: Ward for Congress Committee

79040153826



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 10, 1978

MEMORANDUM

TO : BILL OLDAKER

THROUGH : ORLANDO B. POTTER *OBP.*

FROM : *AK* BOB COSTA/RAY LISI *RL*

SUBJECT : STATUS OF WARD FOR CONGRESS COMMITTEE
AUDIT

The purpose of this memorandum is to inform your office of the changes to the status of the Ward for Congress Committee ("the Committee") audit subsequent to its referral to your office on May 10, 1978 (MUR 581).

On May 31, 1978 Mr. Ward ("the Candidate") requested an extension of time in which to supply the information requested in the audit letter. (See Attachment) On June 14, 1978, the Audit Division granted a 30 day extension commencing on July 3, 1978, the date the Candidate received the extension letter. On July 6, 1978, Mr. Mike Reed called Ray Lisi of the Audit Division to inform him that he was assisting the Committee in gathering the required information. Mr. Reed is a Washington attorney who is assisting the Candidate as a favor. On August 4, 1978, Mr. Reed supplied to the Audit Division the records maintained at the Committee's headquarters in Oklahoma. All of the records provided had been previously reviewed during initial fieldwork. Mr. Reed stated that no new information concerning county records had been obtained. The Audit Division reviewed the records received together with the records received previously from the counties and returned them to Mr. Reed on September 21, 1978.

Following is an update on the findings included in the March 30, 1978 letter to the Committee based on the review of the records and the Committee's efforts to supply additional information.



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A. Recordkeeping

1) The Committee did not provide any additional records pertaining to activity in the counties, therefore, the records provided for three (3) counties still indicate total expenditures exceeding total receipts. Mr. Reed stated that the Treasurer had contacted all of the counties but he had not been able to obtain any additional records. Mr. Reed said he will concentrate his activities on these three (3) counties and attempt to clear the discrepancies.

2) Copies of all known bank accounts maintained in the counties have been received and reviewed. The last statement provided by LeFlore county indicates an overdrawn balance of \$144.00. Mr. Reed stated that he would contact the individual responsible for that county in order to clear up the matter.

3) In the six (6) remaining counties that reported receipts and expenditures to the Treasurer, it appears that contributions were received and expenditures made which were not processed through a designated campaign depository in apparent violation of Section 437b(a)(1) of Title 2 U.S.C.

B. Reporting of Receipts and Expenditures

With the records available, the Audit staff was able to compute total receipts and expenditures for the accounts maintained by the Treasurer and the four counties. The figures for the six remaining counties include the differences cited in A(1) above. The figures for the six counties are based on the records available and cannot be verified, since the only records provided consist of handwritten and typed lists of contributors and in only some cases receipts for expenditures.

Relying on the records available the adjusted figures cited in finding B are:

Adjusted Receipts	\$141,881.49*	Adjusted Expenditures	\$143,560.30*
Reported Receipts	<u>\$134,865.41</u>	Reported Expenditures	<u>\$132,589.20</u>
Difference	\$ 7,016.08	Difference	\$ 10,971.10

* Due to differences cited in A(1) and (2) above, the Committee's expenditures exceed its receipts by \$1,678.81.

C. Corporate Contribution

Mr. Reed provided the Audit staff with a copy (front only) of a check drawn on the Candidate's account refunding the contribution. A copy of the cancelled check will be provided once it clears the bank.

D. Debts and Obligations

Mr. Reed was able to provide a paid invoice totaling \$527.03 to support one debt listed in the original finding reducing the total to \$6,926.11. He stated that he had contacted the remaining vendors with outstanding balances but had not received responses.

E. Disclosure of Transfers

The Committee has prepared a schedule itemizing the transfers. It has not been filed at the request of the Audit Division in order that it be incorporated into a comprehensive amendment which will be required once all reporting adjustments are determined.

F. Disclosure of Depositories

The Committee was provided a list of the undisclosed depositories and agreed to file an amendment to the statement of organizations disclosing the depositories.

G. Expenditures Not Fully Supported

Mr. Reed provided the Audit staff with supporting documentation for 39 of the 81 expenditures requested in the audit letter. The Committee is sending second letters requesting the documentation for the remaining 42 expenditures.

H. Contributions in Excess of Limit

The Committee is attempting to gather documentation from the contributor verifying that he was reimbursed by the Committee for some of the expenditures made.

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I. Cash Contributions in Excess of Limit

The Committee provided documentation from the contributor stating that the contribution actually consisted of two separate one hundred dollar contributions from himself and another person and fifty dollars from four (4) other contributors. The committee attributed the entire contribution to the one contributor in error. They have agreed to amend their reports accordingly.

Based on the facts outlined above the Audit Division makes the following recommendations: The Committee has complied with the recommendation in finding I and has produced evidence that it can amend the public record for findings E and F. Therefore, the Audit Division recommends no further action on findings E, F, and I. However, as noted above, the Committee has still not substantially complied with the remaining findings. Committee officials have continuously expressed their desire to comply with the statute, but their efforts to date have not produced significant results. The Audit Division believes that it has provided as much assistance to the Committee as possible. The Audit Division therefore, recommends that your office proceed with its preliminary legal analysis on the remaining findings. If and when additional information is received concerning these matters, your office will be notified. If you have any questions please contact Ray Lisi at extention 3-4155.

79010152830



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 30, 1978

Mr. Rector Swearengin, Treasurer
Ward for Congress Committee
301 West Main Street
Durant, Oklahoma 74701

Dear Mr. Swearengin:

The attached is to formally advise you of the findings and recommendations of the Audit staff resulting from the audit of the Ward for Congress Committee. These matters were discussed with your committee at the conclusion of the fieldwork in Durant, Oklahoma on November 4, 1977.

You are requested to comply with the stated recommendations within 30 days of the receipt of this letter. After expiration of the 30 day period, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. Efforts to comply with the recommendations will be noted in the report when presented. Failure to comply with the recommendations will also be noted.

If you have any questions, please do not hesitate to contact Ms. Joanne McSorley or Mr. Ray Lisi at (202) 523-4155.

Sincerely,

Robert J. Costa
Assistant Staff Director
for the Audit Division

Attached as stated

cc: Charles L. Ward

CERTIFIED MAIL:
RETURN RECEIPT REQUESTED



79010162831

Audit Findings and Recommendations

A. Recordkeeping

Section 432(c) of Title 2, United States Code, states that it is the duty of the treasurer of a political committee to keep a detailed and exact account of (1) all contributions made to or for such committee; (2) the identification of every person making a contribution in excess of \$50, and the date and amount thereof, and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any); (3) all expenditures made by or on behalf of such committee; and (4) the identification of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and the office sought by, each candidate on whose behalf such expenditure was made.

A review of the Committee's receipt and expenditure records revealed that the Committee maintained incomplete records on the financial activities of individuals acting on the Committee's behalf in various counties. The Audit staff was provided with a list of 39 individuals identified as "County Chair People" operating on behalf of the Committee in 23 counties. Based on the records available to the Audit staff, it was determined that records maintained by four (4) county organizations reflect more in expenditures than receipts. During telephone conversations with the Audit staff, other county chairpersons indicated the possibility of additional information concerning receipts, expenditures, and debts and obligations not supplied to the Committee and not reported. In addition, although requested, one (1) of the four (4) county organizations that maintained a checking account has not supplied the Audit staff with its bank records. The treasurer of the Committee has stated that he attempted to report all county activity but that he did not have control over the individual counties involved.

Recommendation

The Audit staff recommends that the Committee contact all county chairpersons and obtain all records relating to receipts, expenditures, and debts and obligations not currently in its possession and submit these for review by the Audit staff within 30 days of receipt of this letter.

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B. Reporting of Receipts and Expenditures

Section 434(b)(8) and (11) of Title 2, United States Code, states in part, that a political committee shall report the total sum of all receipts for the committee and the total sum of expenditures made by the committee during the calendar year. In addition, Section 434(b)(2) and (9) of Title 2, United States Code, requires a committee to report the full name and mailing address (occupation and principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions; and, the identification of each person to whom expenditures have been made by the committee or on behalf of the committee or candidate within the calendar year in an aggregate amount or value in excess of \$100 with the amount, date, and purpose of the expenditure.

A comparison of the Committee's records with its reports filed indicate county activity of \$13,237.79 in total receipts of which only \$4,357.00 has been reported, leaving an unreported balance of \$8,880.79. In addition, the records indicate expenditures totaling \$14,546.10 of which only \$3,812.83 has been reported leaving an unreported balance of \$10,733.27. The unreported receipts accounted for 6.18% of the total dollar volume of reported Committee receipts and the unreported expenditures accounted for 7.49% of the total dollar volume of reported Committee expenditures. The receipts and expenditures were not reported due to incomplete records maintained by the county organizations. Due to the incomplete records maintained by the Committee, these totals have not been verified as accurate by the Audit staff and are subject to change.

Recommendation

The Audit staff recommends that the Committee file amended reports within 30 days of receipt of this letter to include the unreported receipts and expenditures, itemizing those aggregating in excess of \$100, and any additional receipts and expenditures determined to have been made by the county organizations for which the Committee did not have records available at the time of the audit.

Section 441(a) of Title 2, United States Code, states in part, that it is unlawful for any corporation to make a contribution or expenditure in connection with any election to any political office or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section.

A review of the Committee's contribution records revealed a \$500 contribution received from Livestock Breeders Association, Rubottom, Oklahoma, on July 6, 1976. Verification with the Oklahoma Secretary of State disclosed a registered corporation - Livestock Breeders International Association - registered on March 26, 1973. The Committee provided the Audit staff with an envelope listing Livestock Breeders International, Inc., as a return address.

The treasurer of the Committee stated that he was not aware of the possibility that this contribution was from a corporation.

Recommendation

The Audit staff recommends that the Committee present to the Audit staff evidence that the contribution did not contain corporate funds or refund the contribution and submit documentation thereof to the Audit staff within 30 days of receipt of this letter.

D. Debts and Obligations

Section 434(b)(12) of Title 2, United States Code, states in part, that a political committee's reports shall disclose the amount and nature of debts and obligations owed by the committee and a continuous reporting of their debts and obligations after the election until such debts and obligations are extinguished together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor.

A comparison of the Committee's expenditures made and invoices maintained revealed seven (7) invoices totaling \$7,453.14 for which no indication of payment nor debt settlement statement was provided by the Committee. The Committee did not disclose the debts on a debt and obligation schedule and has filed a termination report. The treasurer of the Committee stated that some bills were not paid due to lack of funds and also because the Committee was not aware they had been incurred. In addition, he indicated that it was possible that other unpaid debts existed for which the Committee did not have records.

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Recommendation

The Audit staff recommends that the Committee resume filing reports disclosing all debts and obligations until extinguished or provide information on the settlement of the debts.

E. Disclosure of Transfers

Section 434(b)(4) of Title 2, United States Code, states that a committee shall include in its reports the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers.

The Committee received 11 transfers from ten (10) political committees totaling \$1,230.50 which were not itemized on its reports filed. These transfers amounted to 6.07% of the dollar volume and 28.95% of the total number of transfers received by the Committee. The Committee offered no explanation for not itemizing the transfers.

Recommendation

The Audit staff recommends that the Committee file an amended report itemizing the transfers within 30 days of receipt of this letter.

F. Disclosure of Depositories

Section 433(b)(9) and (c) of Title 2, United States Code, requires a committee to include on its statement of organization a listing of all banks, safety deposit boxes, or other repositories used and report any change in information previously submitted in a statement of organization to the Commission within a 10 day period following the change.

During the course of the audit, it was determined that the Committee maintained six (6) checking accounts in six (6) depositories. Five (5) of these depositories were not disclosed on the Committee's statement of organization filed on June 23, 1976. The treasurer of the Committee stated that the undisclosed accounts were maintained by county organizations and he was unaware of their existence at the time the statement was filed.

Recommendation

The Audit staff recommends that the Committee file an amended statement to include the missing information within 30 days of receipt of this letter.

6. Expenditures Not Fully Supported

Section 432(d) of Title 2, United States Code, states in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of \$100, and for expenditures in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

Section 102.9(c)(4) of the Commission's Regulations states in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum.

The Committee did not maintain proper supporting documentation for 81 expenditures made, totaling \$58,866.24. These expenditures accounted for 47.89% of the total dollar amount and 32.40% of the total number of expenditures requiring such documentation. The Committee treasurer stated that he would attempt to gather the missing information.

Recommendation

The Audit staff recommends that the Committee obtain supporting documentation for the 81 expenditures and submit copies for review, or present evidence of their efforts to do so, within 30 days of receipt of this letter.

H. Contributions in Excess of Limit

Section 441a(a)(1)(A) of Title 2, United States Code, and Section 110.1(a)(1) of the Commissions Regulations state that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. In addition, Section 110.9(a) of the Commission's Regulations states in part, that no candidate or political committee shall accept any contribution or make any expenditure in violation of Part 110.

A review of the Committee's records revealed \$1,979.40 in contributions made to the Committee and expenditures made on behalf of the Committee by a county chairman from July 24, 1976 through October 14, 1976. One thousand one hundred and ten dollars of this amount was expended between the date of the primary (August 24, 1976) and the runoff election (September 21, 1976). Therefore, it appears the individual exceeded his personal contribution limit for the runoff election.

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Recommendation

It is the recommendation of the Audit staff that the Committee either present evidence that the excessive portion of the contribution relates to other than the runoff election or refund the amount in excess of the limit to the contributor within 30 days of receipt of this letter.

I. Cash Contributions in Excess of Limit

Section 441g of Title 2, United States Code, states that no person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

Contribution records maintained by the Committee indicate the receipt of \$250 in cash on September 13, 1976 attributed to one (1) individual. The Committee treasurer could offer no explanation as to why the contribution was accepted.

Recommendation

The Audit staff recommends that the Committee refund the amount in excess of the limit to the contributor and submit copies of both sides of the refund check within 30 days of receipt of this letter.

J. Other Matters

Presented below are other matters noted during the audit for which the staff feels no further Commission action is warranted. The Committee was made aware of the discrepancies and informed of the respective requirements of the Act.

On September 20, 1976, the Committee received an \$8,000 loan from the First National Bank of Durant with only three (3) endorsers. When the Committee treasurer realized the endorsers had exceeded their contribution limit the Committee repaid the loan on October 27, 1976.

In four (4) instances the Committee drew checks payable to cash in excess of \$100 which were not used to replenish a petty cash fund. The payments totaled \$1,233.60 and were paid to various campaign workers in reimbursement for duties performed.

72910152837



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO CHARLES STEELE *mwe*
FROM: MARJORIE W. EMMONS
DATE: SEPTEMBER 29, 1978
SUBJECT: MUR 581 - Interim Report dated 9-27-78
Received in OCS: 9-28-78,
11:35

The above-named document was circulated on a 24 hour no-objection basis at 3:30, September 28, 1978.

The Commission Secretary's Office has received no objections to the Interim Report as of 4:15 this date.

79040162838

September 28, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr''
SUBJECT: MUR 581

Please have the attached Interim Report on MUR 581
distributed to the Commission.

Thank you.

79043162839

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

78 SEP 28 All: 35

In the Matter of .

Ward for Congress Committee

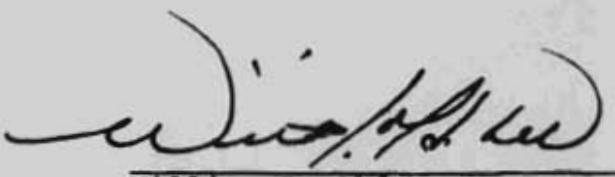
Livestock Breeders Association, Inc.)

)
)
) MUR 581 (78)

INTERIM REPORT

On August 28, 1978, the Commission adopted the recommendation of the General Counsel to withhold action in the above-captioned matter pending the auditors continued efforts with the Ward for Congress Committee ("the Committee") to secure missing records and documents. As of this date, the Audit Division is still attempting to accumulate documentation and put the Committee's records in order. The Audit Division expects to re-refer this matter to the General Counsel's Office within the next few days.

9/27/78
Date


William C. Oldaker
General Counsel

79040162840

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 581
Ward For Congress Committee)
Livestock Breeders Association, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on August 28, 1978, the Commission determined by a vote of 6-0 to adopt the recommendation of the General Counsel to take the following action in the above-captioned matter:

Withhold action in the General Counsel's Office for two weeks pending the auditors continued efforts with the Committee.

Attest:

8/28/78
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour vote basis,

8-24-78, 1:22
8-25-78, 9:00

79040152841

August 24, 1988

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 581

Please have the attached First General Counsel's
Report on MUR 581 distributed to the Commission on a 48
hour tally basis.

Thank you.

79040152842

FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO COMMISSION AUG 24 1978

MUR NO. 581
STAFF MEMBER(S)

Gentner

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

RESPONDENT'S NAME: Ward for Congress Committee
Livestock Breeders Association, Inc.

RELEVANT STATUTE: 2 U.S.C. § 431(e) (5) (G) (ii), 2 U.S.C. § 432(c) and (d)
2 U.S.C. § 433(b) (9) and (C), 2 U.S.C. § 434(b) (2),
(8), (9), and (12) 2 U.S.C. § 437b(a) and (b),
2 U.S.C. § 441a(a) (1) (A) and (f)
2 U.S.C. § 441b(a), 2 U.S.C. § 441g

INTERNAL REPORTS CHECKED:

FEDERAL AGENCIES CHECKED:

GENERATION OF MATTER

This matter was referred to the Office of General Counsel by the Audit Division as a result of a random audit of the Respondent Committee.

SUMMARY OF STATUS

After this matter was referred to the General Counsel's Office and referenced above, the General Counsel's Office conferred with the audit staff and concluded that the Committee records were in such poor condition that the auditors were not ready to provide a full referral. Further, the candidate, Charles Ward, had left the district immediately after his defeat and had taken no part in the Committee's gathering of records or in reporting and requested an extension of time. The auditors provided additional time for the Committee to compile the missing records and documents and have succeeded in obtaining some of these papers.

It appears that the Audit Division will be ready to make further referral recommendations in approximately two weeks at which time the General Counsel's Office will provide its preliminary legal analysis.

RECOMMENDATION

Withhold action in the General Counsel's Office for two weeks pending the auditors continued efforts with the Committee.

79010162843

ACC 3691
1600 South Edge Apt. 1121 S.
Arlington, VA 22202
May 29, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

'78 MAY 31 PM 12:01

Re: Ward for Congress Committee

803219

Dear Mr. Oldaker:

Last week in a telephone conversation initiated by me with Mr. Ray Lisi of the audit staff of the Federal Elections Commission, I was advised informally that the audit of the Ward for Congress Committee had been referred to your office because the Committee had made "inadequate response" to the recommendations of the audit staff. The Treasurer of this committee, Mr. R. H. Swearengin, is presently on a brief vacation trip and I have not been able to contact him. While I understand that it is the Commission's policy to advise Committees that a referral to your office is pending, we received no such notice.

Let me assure you that it is my desire and Mr. Swearengin's to cooperate fully with your office and the Commission in resolving any problem which may have arisen as a result of the random audit of my campaign. By letter of April 27 to Mr. Robert J. Costa, Mr. Swearengin detailed some of his efforts to obtain the additional information needed to comply with the recommendations of the audit staff and his willingness to take additional steps if necessary. Mr. Swearengin requested that Mr. Costa tell him what more information was needed. Again, Mr. Oldaker, I understand it is Commission audit policy to grant an extension when requested; Mr. Swearengin requested an extension in the April 27 letter but it apparently was not granted. (We were not notified either way).

As I am sure is the case with many campaign treasurers, Mr. Swearengin is a volunteer who has tried to help with my campaign while carrying on his business. He is an independent insurance agent and I know that the past few weeks have been especially busy for him due to some internal changes in his office and a series of severe storms in Southeastern Oklahoma resulting in some insurance claims with which he has had to deal. This has undoubtedly made it even more difficult for him in trying to obtain the additional information needed by the Commission's audit staff. This was also one of the reasons he requested an extension.

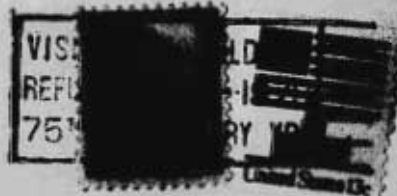
As I indicated at the outset, you can be sure that both Mr. Swearengin and I want quickly to resolve this matter. Consequently, both for myself and Mr. Swearengin I request that any action by your office on this matter be held in abeyance and that the Ward for Congress Committee be given an additional period to supply the information requested and comply to the fullest extent possible with the recommendations of the audit staff. Your consideration of this matter is appreciated. I am available to talk with you or a member of your staff should this be desirable.

Sincerely yours,

Charles L. Ward
Charles L. Ward

70010162844

7 9 0 1 0 1 0 6 7
Charles L. Ward
1600 So. Eads, Apt. 1121 So.
Arlington, VA 22202



William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

'78 MAY 31 PM 12:00

RECEIVED
FEDERAL ELECTION
COMMISSION



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 10, 1978

MEMORANDUM

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER *OBP.*
R/L

FROM: *AC* BOB COSTA/RAY LISI

SUBJECT: WARD FOR CONGRESS COMMITTEE AUDIT

On March 30, 1978, the Audit staff forwarded to the treasurer of the Ward for Congress Committee (the Committee), a list of audit findings and recommendations pertaining to the Committee's audit (attachment #1). On April 27, 1978 and May 4, 1978, the treasurer of the Committee responded to the Audit staff's letter (attachments #2 and #3).

The Committee has partially complied with Finding A by supplying the missing bank statement. In addition, the Committee has supplied a letter from Mr. Jim Dula, President of the Livestock Breeders International, Inc., stating that even though the check (addressed in Finding C) was drawn on a corporate account Mr. Dula considers it a personal contribution since he owns all of the stock in the corporation. The Audit staff disagrees with this interpretation since the contributor's intent for the contribution to be personal does not negate the fact that the contribution was made from corporate funds. Therefore, the Audit staff feels that the Committee has not provided an adequate response to Finding C and must refund the contribution.

Based on the facts outlined above and other responses in the attached documents, the Committee has inadequately responded to Findings A through D and made no effort to comply with Findings E through I. This matter is referred to your office for treatment as a MUR. If you have any questions, please call Ray Lisi on extension 3-4155.

Attachments as stated



79940132846



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 30, 1978

Mr. Rector Swearengin, Treasurer
Ward for Congress Committee
301 West Main Street
Durant, Oklahoma 74701

Dear Mr. Swearengin:

The attached is to formally advise you of the findings and recommendations of the Audit staff resulting from the audit of the Ward for Congress Committee. These matters were discussed with your committee at the conclusion of the fieldwork in Durant, Oklahoma on November 4, 1977.

You are requested to comply with the stated recommendations within 30 days of the receipt of this letter. After expiration of the 30 day period, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. Efforts to comply with the recommendations will be noted in the report when presented. Failure to comply with the recommendations will also be noted.

If you have any questions, please do not hesitate to contact Ms. Joanne McSorley or Mr. Ray Lisi at (202) 523-4155.

Sincerely,

Robert J. Costa
Assistant Staff Director
for the Audit Division

Attached as stated

cc: Charles L. Ward

CERTIFIED MAIL:
RETURN RECEIPT REQUESTED



79040152847

Audit Findings and Recommendations

A. Recordkeeping

Section 432(c) of Title 2, United States Code, states that it is the duty of the treasurer of a political committee to keep a detailed and exact account of (1) all contributions made to or for such committee; (2) the identification of every person making a contribution in excess of \$50, and the date and amount thereof, and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any); (3) all expenditures made by or on behalf of such committee; and (4) the identification of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and the office sought by, each candidate on whose behalf such expenditure was made.

A review of the Committee's receipt and expenditure records revealed that the Committee maintained incomplete records on the financial activities of individuals acting on the Committee's behalf in various counties. The Audit staff was provided with a list of 39 individuals identified as "County Chair People" operating on behalf of the Committee in 23 counties. Based on the records available to the Audit staff, it was determined that records maintained by four (4) county organizations reflect more in expenditures than receipts. During telephone conversations with the Audit staff, other county chairpersons indicated the possibility of additional information concerning receipts, expenditures, and debts and obligations not supplied to the Committee and not reported. In addition, although requested, one (1) of the four (4) county organizations that maintained a checking account has not supplied the Audit staff with its bank records. The treasurer of the Committee has stated that he attempted to report all county activity but that he did not have control over the individual counties involved.

Recommendation

The Audit staff recommends that the Committee contact all county chairpersons and obtain all records relating to receipts, expenditures, and debts and obligations not currently in its possession and submit these for review by the Audit staff within 30 days of receipt of this letter.

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79040152849

B. Reporting of Receipts and Expenditures

Section 434(b)(8) and (11) of Title 2, United States Code, states in part, that a political committee shall report the total sum of all receipts for the committee and the total sum of expenditures made by the committee during the calendar year. In addition, Section 434(b)(2) and (9) of Title 2, United States Code, requires a committee to report the full name and mailing address (occupation and principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions; and, the identification of each person to whom expenditures have been made by the committee or on behalf of the committee or candidate within the calendar year in an aggregate amount or value in excess of \$100 with the amount, date, and purpose of the expenditure.

A comparison of the Committee's records with its reports filed indicate county activity of \$13,237.79 in total receipts of which only \$4,357.00 has been reported, leaving an unreported balance of \$8,880.70. In addition, the records indicate expenditures totaling \$14,546.10 of which only \$3,812.83 has been reported leaving an unreported balance of \$10,733.27. The unreported receipts accounted for 6.18% of the total dollar volume of reported Committee receipts and the unreported expenditures accounted for 7.49% of the total dollar volume of reported Committee expenditures. The receipts and expenditures were not reported due to incomplete records maintained by the county organizations. Due to the incomplete records maintained by the Committee, these totals have not been verified as accurate by the Audit staff and are subject to change.

Recommendation

The Audit staff recommends that the Committee file amended reports within 30 days of receipt of this letter to include the unreported receipts and expenditures, itemizing those aggregating in excess of \$100, and any additional receipts and expenditures determined to have been made by the county organizations for which the Committee did not have records available at the time of the audit.

79040162850

C. Corporate Contributions

Section 441b(a) of Title 2, United States Code, states in part, that it is unlawful for any corporation to make a contribution or expenditure in connection with any election to any political office or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section.

A review of the Committee's contribution records revealed a \$500 contribution received from Livestock Breeders Association, Rubottom, Oklahoma, on July 6, 1976. Verification with the Oklahoma Secretary of State disclosed a registered corporation - Livestock Breeders International Association - registered on March 26, 1973. The Committee provided the Audit staff with an envelope listing Livestock Breeders International, Inc., as a return address.

The treasurer of the Committee stated that he was not aware of the possibility that this contribution was from a corporation.

Recommendation

The Audit staff recommends that the Committee present to the Audit staff evidence that the contribution did not contain corporate funds or refund the contribution and submit documentation thereof to the Audit staff within 30 days of receipt of this letter.

D. Debts and Obligations

Section 434(b)(12) of Title 2, United States Code, states in part, that a political committee's reports shall disclose the amount and nature of debts and obligations owed by the committee and a continuous reporting of their debts and obligations after the election until such debts and obligations are extinguished together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor.

A comparison of the Committee's expenditures made and invoices maintained revealed seven (7) invoices totaling \$7,453.14 for which no indication of payment nor debt settlement statement was provided by the Committee. The Committee did not disclose the debts on a debt and obligation schedule and has filed a termination report. The treasurer of the Committee stated that some bills were not paid due to lack of funds and also because the Committee was not aware they had been incurred. In addition, he indicated that it was possible that other unpaid debts existed for which the Committee did not have records.

79040152851

Recommendation

The Audit staff recommends that the Committee resume filing reports disclosing all debts and obligations until extinguished or provide information on the settlement of the debts.

E. Disclosure of Transfers

Section 434(b)(4) of Title 2, United States Code, states that a committee shall include in its reports the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers.

The Committee received 11 transfers from ten (10) political committees totaling \$1,230.50 which were not itemized on its reports filed. These transfers amounted to 6.07% of the dollar volume and 28.95% of the total number of transfers received by the Committee. The Committee offered no explanation for not itemizing the transfers.

Recommendation

The Audit staff recommends that the Committee file an amended report itemizing the transfers within 30 days of receipt of this letter.

F. Disclosure of Depositories

Section 433(b)(9) and (c) of Title 2, United States Code, requires a committee to include on its statement of organization a listing of all banks, safety deposit boxes, or other repositories used and report any change in information previously submitted in a statement of organization to the Commission within a 10 day period following the change.

During the course of the audit, it was determined that the Committee maintained six (6) checking accounts in six (6) depositories. Five (5) of these depositories were not disclosed on the Committee's statement of organization filed on June 23, 1976. The treasurer of the Committee stated that the undisclosed accounts were maintained by county organizations and he was unaware of their existence at the time the statement was filed.

Recommendation

The Audit staff recommends that the Committee file an amended statement to include the missing information within 30 days of receipt of this letter.

G. Expenditures Not Fully Supported

Section 432(d) of Title 2, United States Code, states in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars for every expenditure made in excess of \$100, and for expenditures in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.

Section 102.9(c)(4) of the Commission's Regulations states in part, that when a receipted bill is not available, the treasurer may keep the cancelled check and the bill, invoice or other contemporaneous memorandum.

The Committee did not maintain proper supporting documentation for 81 expenditures made, totaling \$58,866.24. These expenditures accounted for 47.89% of the total dollar amount and 32.40% of the total number of expenditures requiring such documentation. The Committee treasurer stated that he would attempt to gather the missing information.

Recommendation

The Audit staff recommends that the Committee obtain supporting documentation for the 81 expenditures and submit copies for review, or present evidence of their efforts to do so, within 30 days of receipt of this letter.

H. Contributions in Excess of Limit

Section 441a(a)(1)(A) of Title 2, United States Code, and Section 110.1(a)(1) of the Commission's Regulations state that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. In addition, Section 110.9(a) of the Commission's Regulations states in part, that no candidate or political committee shall accept any contribution or make any expenditure in violation of Part 110.

A review of the Committee's records revealed \$1,979.40 in contributions made to the Committee and expenditures made on behalf of the Committee by a county chairman from July 24, 1976 through October 14, 1976. One thousand one hundred and ten dollars of this amount was expended between the date of the primary (August 24, 1976) and the runoff election (September 21, 1976). Therefore, it appears the individual exceeded his personal contribution limit for the runoff election.

79010132852

Recommendation

It is the recommendation of the Audit staff that the Committee either present evidence that the excessive portion of the contribution relates to other than the runoff election or refund the amount in excess of the limit to the contributor within 30 days of receipt of this letter.

I. Cash Contributions in Excess of Limit

Section 441g of Title 2, United States Code, states that no person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

Contribution records maintained by the Committee indicate the receipt of \$250 in cash on September 13, 1976 attributed to one (1) individual. The Committee treasurer could offer no explanation as to why the contribution was accepted.

Recommendation

The Audit staff recommends that the Committee refund the amount in excess of the limit to the contributor and submit copies of both sides of the refund check within 30 days of receipt of this letter.

J. Other Matters

Presented below are other matters noted during the audit for which the staff feels no further Commission action is warranted. The Committee was made aware of the discrepancies and informed of the respective requirements of the Act.

On September 20, 1976, the Committee received an \$8,000 loan from the First National Bank of Durant with only three (3) endorsers. When the Committee treasurer realized the endorsers had exceeded their contribution limit the Committee repaid the loan on October 27, 1976.

In four (4) instances the Committee drew checks payable to cash in excess of \$100 which were not used to replenish a petty cash fund. The payments totaled \$1,233.60 and were paid to various campaign workers in reimbursement for duties performed.

79040162853

Attachment on



R. H. SWEARENGIN INSURANCE

PHONE 924-0341 301 WEST MAIN DURANT, OKLAHOMA 74701

April 25, 1978 12:30

Mr. Robert J. Costa
Assistant Staff Director
1325 K Street, N. West
Washington DC 20463

Re Audit Charlie Ward

Dear Mr. Costa:

I have made available every thing I have for the above audit. When the campaign started we set up the books and procedure to the best of our ability for the campaign.

At the district meeting held here in Durant, the representatives were given complete instructions as to cash donated, how reports were to be made to us, et cetera. We followed these guide lines in our office. On two occasions money was returned to the contributors, because we felt we might be criticized.

The county chairmen made the reports to us and we entered these as they were turned in to us. As the money came in we endeavored to show the names and addresses of contributors. We have names of the contributors in alphabetical order. That file was made available to the auditors. We also kept a card file by counties that was also made available to the auditors.

If it is necessary for us to file our amended report all we can do is use the same reports, and the same information that was used in the original report.

You pointed out that a contributions in the amount of \$500. was made by the Livestock Breeders Association of Rubottom, Oklahoma. I called Mr. Jim Dula and he explained that he completely owned the Association, but his donation was personal and not from the Association. He agreed to give me a letter on this but I fear he sent it to you direct.

All of the debts were revealed in the statement from the various compaines with whom we did business. All accounts were paid by check. The check number was placed on the bill before it was placed in the file. In several cases only a part of the account could be paid because of lack of money, but every effort was made to keep the payments clear by showing the partial payment.



79010152854

R. H. SWEARENGIN INSURANCE

PHONE 924-8341 381 WEST MAIN DURANT, OKLAHOMA 74701

Our big accounts were the following:

1. Ad Central of Oklahoma. They coordinated the T.V., Radio, and Newspaper advertising. We would pay them \$2,000, \$5,000 and up to \$10,000 at a time. That account was about 30% of our expenses.
2. Central Process and Sales were probably the next largest. They furnished signs, cards, fence stickers, et cetera. This was an account that caused us a great deal of trouble. When the run-off was over, we found that orders had been placed on the last week that we had not planned for, or set up any budget for. This account was one I could not pay, but I gave them all I had left over.
3. The Telephone Company was a large account, but it was paid in full.
4. The postage was a large account.
5. The envelopes and paper for letters was a large account.

When the campaign was over and the race was lost, I could find no one who would take very much responsibility. So I did the best I could.

We found our deficit to be large, so I called each one asking if their service could be reduced the price and I would let the money go as far as I could. This I did.

I have tried every method I know to get the counties' cleared up. The problem was with four counties - Carter, LeFlore, Latimer and Johnston. I felt all of these had been satisfied buy maybe Johnston has not. If you have the information will you please send it to me.

If it is necessary for me to travel to these counties and clear this up, I will try.

It has been our policy to follow the law and keep the required records. We have tried to cooperate with the auditors





R. H. SWEARENGIN INSURANCE

PHONE 926-0341 101 WEST MAIN DURANT, OKLAHOMA 74701

helping in any way we could. If we need an extension, please give it to us. I'm at a loss to know how we can change the audit.

I will await a reply.

Sincerely,

Rector Swearingin
Rector Swearingin

cc to C. Ward

RHS/ck

79040152856



R. H. SWEARENGIN INSURANCE AGENCY

Insurance and Bonds

RECEIVED
FEDERAL ELECTION
COMMISSION

301 West Main
Durant, Oklahoma 74701
924-0341

Mr Ray Lisa
Auditor

'78 MAY - 4 AM 11:51

Re Charlie Ward
Audit

Mr Lisa I enclose the following
1. A letter of explanation on the
\$500 donation from the Live Stock Breeders
assoc. I hope this is sufficient.

2. Bank Statement from Johnston Co
at Tishomingo Okla.

Very Truly Yours
R H Swearingin

79040152857

RECEIVED
FEDERAL ELECTION
LIVESTOCK BREEDERS INTERNATIONAL INC.
P. O. BOX 81
RUBOTTOM, OKLAHOMA 73457
78 MAY - 4 AM 11:41
PHONE 405-276-2995 OR 405-276-2930

Phone
405-276-2995

802423

JAMES E. DULA, JR., PRESIDENT

5-1-78

Mr. Swearingen

In regards to our Phone Conversation,
I wish to clarify to you that the check
made out to "Charles E. Dula for Congress,"
was made by me personally to his campaign, -
& NOT PAID for by Corp Funds.

Livestock Breeders is a corp which
I own all of the stock. From time to
time I make loans to it, & also may withdraw
funds. When the books are closed by
our CPA, then I settle up my debt with
the company or they pay me.

I hope this will clear up this
matter for you, Best Regards,
Jim Dula

79040162858



FEDERAL ELECTION COMMISSION

125 K STREET NW.
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF MUR # 581

Date Filmed 11/19/79 Camera No. --- 2

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