

**CLAUDETTE  
CRAIG  
HENRY  
1947-1999**



**SCANDAL  
IN STATE  
TREASURER'S  
OFFICE**

Oklahoma doesn't have a very good record of electing women. At any one time, it has had only one U. S. Congresswoman and four women elected to state offices. The best was Kate Barnard. The worst was State Treasurer Claudette Henry in the 1990s.

Claudette Craig Henry was born in March 1947 in Oklahoma City. She served in the Oklahoma House of Representatives from 1986 to 1988. In 1990, she decided to run for State Treasurer against well-financed incumbent Ellis Edwards, in what she described as a battle between David and Goliath.

Henry was a Republican in a Democratic state. She was seeking a post that previously was never held by a woman. Voters tended to prefer an incumbent whose record is well-known rather than take a chance on a challenger with no record but soon Edwards believed that the media was out to get him.

When KOCO-TV's Terry Watkins tried for several days to get an Edwards interview, she took a camera into his office where she recorded a remodeling project that included an etched glass window, automatic office door opener, and expensive furniture. Henry believed "the average citizen doesn't have the means to remodel their home like that". Within a week, Edwards' campaign was in trouble.

State Auditor Clifton Scott completed a critical audit of Edwards' office in late February which uncovered an apparent \$866,000 kickback scheme, giving Edwards the standard thirty days to write responses and correct problems. He asked for and was granted extensions as a delaying tactic. In June, Scott gave Edwards an ultimatum – either complete the response or the audit will be released without comments. The audit was released on July 9<sup>th</sup> – without comments.

The Daily Oklahoman, a Republican-leading newspaper, reported that Edwards broke the law by using private contributions to pay off a loan on his Mercedes Benz. Just two days before the runoff, they showed that 60% of Edwards major contributions or their companies had benefited directly from his investment of state funds. They included brokers from New York and California. In the primary, Edwards barely survived with 51.2% while Henry received 50.9% after a Republican leadership endorsement. In the general election, Henry won with 52.5% of the vote.

Although Oklahoma has had a history of corrupt state officials, including impeached governors, many believed that Henry was a fresh face in the State Treasurer's office but that euphoria would not last long. The next four-year nightmare would be worse than the one Oklahomans just voted out of office.

A trading scandal in Henry's office resulted in the largest theft of state funds in history - \$6.7 million in overcharges and kickbacks on the trading of nearly \$1.7 billion in U. S. securities. Henry's chief trader Patricia Whitehead and Norman businessman William Pretty were convicted of conspiracy, bribery, and money laundering. San Diego securities broker Patrick Kuhse conspired with them to steer tax-money to him in return for kickbacks. He was ordered to spend six years in prison and to repay \$3.9 million.

Henry was never indicted but former assistant State Treasurer Beth Rowton labeled Henry "the queen of corruption and coverup". State Auditor Scott alerted Henry to the trading problems and suggested she either had a reason not to heed his advice or was "dumber than a sack full of rocks". In 1993, Henry sued Scott to force him to give her a copy of the audit criticizing her agency.

In 1994 Republican primary, Henry was soundly defeated when she received only 25% of the votes. She died of cancer in May 1999 in Oklahoma City at age 52.