

**ETHICS INTERPRETATION EI-1992-002  
ISSUED JULY 17, 1992**

The Ethics Commission met in its regular meeting on July 17, 1992 to discuss your request for an ethics interpretation as to the following:

*Is it a violation of current laws or proposed Ethics Rules for a state agency employee [Administrator] to purchase bonds issued by a county trust authority when the funds are to be used to construct a building to house the agency?*

Before proceeding further, we should advise you that the proposed Ethics Rules were disapproved by the Second Session of the Forty-third Legislature and, hence, are of no effect. We shall, therefore, answer this question by reference to the Oklahoma Statutes.

We cite you to Oklahoma Statutes, Title 74, Section 4243.1, which provides:

**Certain persons prohibited from having ownership interest  
in certain governmental securities**

On and after November 1, 1988, no person who is a public official, director officer or trustee of a governmental entity shall own any direct or indirect interest in any bond, obligation or security issued by or in the name of such governmental entity.

[74 O.S. 1991 § 4243.1]

The statute specifies that no official, director, officer or trustee of a governmental entity shall own bonds issued by or in the name **of such governmental entity**.

You have indicated that the bond issuer is a county trust authority -- not the governmental entity who employs the Administrator in question. The fact that monies raised by the issuance of the bonds will go into the construction of a building to house the Administrator's agency does not bring the instant situation within the prohibition set forth in the statute.

The Commission feels the legislative intent of this statute was to prohibit even the appearance of a conflict of interest, which might be said to arise when state officials in a position of voting bonds stand to gain a financial benefit from their actions. Provided that it is the county trust authority and not the Administrator who is in sole charge of the decision of whether to issue bonds, no conflict of interest arises. The indirect benefit the Administrator might gain of being able to work in a new building is remote from the evil the statute seeks to cure and, in any event, no greater than that of any other citizens of the community who also enjoy the addition of a new public structure in their community.

As to the second part of your question, we find there to be no violation of law for the spouse of a state agency employee [Administrator] to purchase such bonds in her own right.

With regard to your third question as to whether Oklahoma law allows a state agency employee [Administrator] to be an officer and/or shareholder of a corporation that purchases bonds in the instant situation, we again find no prohibition.

**It is the ethics interpretation of the Ethics Commission, as voted on at its first meeting on July 17, 1992, that neither the fact that:**

- 1. a state employee [Administrator] of a state agency owns bonds issued by a county trust authority but no decision in whether to issue the bonds, nor**
- 2. such state employee [Administrator] purchases such bonds in his or her own right, nor**
- 3. such state employee [Administrator] is an officer of a corporation that purchases such bonds**

**violates Title 74 O.S. 1991, § 4243.1.**

Please be aware that state law requires this agency to publish the Ethics Interpretations it issues. This will be done in such a way as to protect the name of the requesting party.