

**INFORMAL OPINION IO-2000-003  
ISSUED AUGUST 3, 2000**

You have requested an informal staff opinion on the following:

1. *Do the Constitutional Ethics Rules, Section 257:1-1-1 et seq. of the Rules of the Ethics Commission, 74 O.S. Supp. 2000, Ch. 62, App. [“the Rules”], prohibit an affiliated or connected entity of a state political party from holding a contest which awards scholarship money to the contestant with the highest number of voter registrations?*
2. *Do the Rules regulate who or what entity may contribute to the scholarship fund?*
3. *Do the Rules regulate the amount donors may give to the scholarship fund?*

**FACTS**

You have advised that a subgroup, provided for in the by-laws of a state political party, would like to hold a voter registration contest. Funds would be solicited for a scholarship, which would be awarded as a prize to the contestant who registers the largest number of voters. According to contest rules, the prize is calculated upon the number of partisan registrations. The group would like to solicit its scholarship fund from corporations, as well as other businesses, committees and individuals and in an unlimited amount. You have also advised the group is willing to structure the fund in anyway which best accommodates the ethics rules.

**ANALYSIS**

We begin by noting that the Rules deem a sub-group which is provided for in the by-laws of a state political party an “affiliated” or “connected” entity.

**Definitions**

“**Affiliated**” or “**connected entity**” mean any entity which directly or indirectly establishes, administers or financially supports a political entity.

Section 257:1-1-2

Both the party and its affiliated or connected group are “party committees” under the Rules.

**Definitions**

“**Party committee**” means a political party or any affiliated or connected entity.

Section 257:1-1-2

Staff finds nothing in the Rules to prohibit the proposed contest/scholarship fund. The question more appropriately is whether the party committee's involvement is regulated. A contest of this nature could arguably be seen as a party building effort. In contrast to federal law [which both allows unlimited contributions and lifts the ban on corporate contributions for such expenditures], the Rules do not distinguish these efforts from other party activity. Both are subject to the party committee contribution limits, as well as the ban on corporate contributions.

To avoid even the appearance of these obligations would be a simple matter. Rather than operating the contest under the auspices or sponsorship of a party committee, the contest could be set up by means of establishing a separate segregated fund. Staff envisions the fund would have its own name, which the bank account would carry, and that it not be the same as either the party or its affiliated entity [the party affiliation could, of course, appear in the title].

Set up in this manner, the separate segregated fund would not count against party limits. More important to your inquiry, it would be free of the ban on corporate contributions.

#### **Contributions**

\* \* \*

**(c) Prohibitions and exceptions to corporate contributions.**

(1) No corporation shall contribute to any campaign fund of any party committee of this state or to any other person for the benefit of such party committee or its candidates, nor shall it, through any agent, officer, representative, employee, attorney, or any other person or persons, so contribute. Nor shall any corporation, directly or through such other person, make any loan of money or anything of value, or give or furnish any privilege, favor or other thing of value to any party committee, or to any other person for it, or to any candidate upon the ticket of any political party.

(2) A corporation shall not make a contribution, expenditure or an independent expenditure to, or for the benefit of, a candidate or committee in connection with an election, except that this provision shall not apply to:

(A) a campaign or committee solely for or against a ballot measure or local question; or

(B) the establishment, administration, and solicitation of contributions to a political action committee to be utilized for political purposes by a corporation.

(3) No candidate, candidate committee or other committee shall knowingly accept contributions given in violation of Paragraphs (1) and (2) of this subsection.

\* \* \*

(d) **Prohibitions relating to committee solicitations and funds.** It shall be prohibited for:

\* \* \*

(4) corporate contributions to a committee or person for or against a ballot measure to be commingled with a fund established by such person or committee to contribute to candidate committees or committees which support or oppose candidates.

\* \* \*

Section 257:10-1-2

The scholarship fund may solicit and accept money from for-profit corporations, as well as businesses and individuals. However, staff cautions that no for-profit corporation dollars may be commingled with party committee funds used to support or oppose candidates.

## **CONCLUSION**

**It is therefore the informal opinion of the Ethics Commission staff that:**

- 1. The Rules do not prohibit the establishment of a separate segregated fund for the solicitation and disbursement of scholarship money to be awarded to the contestant who secures the highest number of partisan voter registrations.**
- 2. The Rules do not regulate who or what entity may contribute to a scholarship fund established and administered in the above described manner, nor does the fund incur a registration or reporting requirement.**
- 3. The Rules do not regulate the amount donors may give to a separate segregated fund established and administered as herein described.**
- 4. Such a fund, which receives unlimited and corporate contributions, may not be commingled with any party committee funds used to support or oppose candidates.**

Like ethics interpretations, informal staff opinions are fact specific. They answer only the question or questions put forth in the request according to information described in the "Facts" section [*supra*]. While they may shed light on other situations, this opinion does not necessarily control them.

The Rules permit the Commission staff to issue informal opinions, upon the approval of the Chair or Vice Chair, provided the matter is reasonably susceptible to a single analysis and is not the subject of litigation, investigation or legislation. We hope these informal letters shed light on the issues and provide guidance. They are not, however, official pronouncements.

This opinion letter has been approved by the Commission Chairman. According to policy, this opinion will be submitted to the members, any of whom can request that the matter be converted to an ethics interpretation and considered by the full Commission.

Informal opinions are published with sufficient deletions to prevent identification of the persons or entities involved. The name of the requestor is considered confidential. This letter has been labeled accordingly.