

MINUTES OF PUBLIC HEARING AND REGULAR MEETING  
OF THE ETHICS COMMISSION  
STATE OF OKLAHOMA  
HELD JANUARY 9, 2015

Call to Order

Upon notice with agenda being properly posted at the Commission office at least twenty-four (24) hours prior to the commencement of the meeting and notice being filed at least 48 hours in advance with the Office of the Secretary of State, a public hearing and regular meeting of the Ethics Commission of the State of Oklahoma ["Commission"] was called to order on Friday, January 9, 2015, at 10:05 a.m. Chair Karen Long ["Long"] opened the meeting, which was held in Room 432A, State Capitol Building, Oklahoma City, Oklahoma.

Determination of Quorum

Roll was called to determine the existence of a quorum for the transaction of business. Commissioners answering present were: Long, Thomas Walker ["Walker"], Cathy Stocker, ["Stocker"], and Jo Pettigrew ["Pettigrew"]. A quorum of members was declared.

Staff & Visitors

Commission staff members present at all or part of the meeting were Lee Slater ["Slater"], Ashley Kemp ["Kemp"], Geoffrey Long ["Long"], Roberta Hale, ["Hale"] and Stephanie Black, ["Black"].

Observing all or part of the meeting: Rep. Bobby Cleveland; Rep. Paul Wesselhoft; Rep. John Montgomery, Rep. Lewis Moore; Rep. Gary W. Banz; Rep. Glen Mulready; Rep. Ann Coody; Rep. Lee Denney; Rep. J. P. Jordan; Rep. Jason Nelson; Glenn Coffee, Attorney; Denise Davick, Attorney; Barbara Gibbons, State employee; Caroline Dennis, Senate staff; Samantha Davidson, Senate staff; Jordan Russell, House staff; Anne Roberts, Lobbyist; Jim Dunlap, Lobbyist; Darci McKee, Campaign Technologies; Cathy Welch, Campaign Technologies; Barbara Hoberock, Tulsa World; Marie Price, Journal Record; and Shawn Ashley, E Capitol News.

Introductions and Announcements

Slater announced that Commissioner Hawkins has the flu and he will not be in attendance today. Slater announced that a number of distinguished guests were in attendance. Members of the Oklahoma House of Representatives stood up for formal introduction. A special introduction is the Chair of the new Elections and Ethics Committee in the House.

Consideration of Amendment  
2015-04.

Explanation of proposed amendment by Director Slater:

Four sections of Amendment 2015-04. This Amendment is in part to clarify some language and to correct some errors in the 2014 promulgated rules.

Section 1 clarifies that when a campaign committee is being dissolved and a final report is being filed that the report needs to include the disposition of tangible assets. There has been a prohibition for the personal use of campaign funds. This section clarifies that the disposition of tangible assets must be reported in the final report and the purchase price must be equal to fair market value if the assets were purchased by a family member or an officer of the committee.

Section 2 corrects a cut and paste error. Currently, the rules have two sections that say the exact same thing. This section gives the Executive Director the authority to require additional information with the intent and purpose of the Rule, this Rule should reference the Reports of Contributions and Expenditures rather than the Statement of Organization.

Section 3, subsection A of Section 3 is the current rule. It requires for participation by a state officer or employee as a speaker or panel participant at a conference on behalf of an agency, the participation must be approved by the chief administrative officer. For elected officials, no approval is required by the chief administrative officer.

Subsections B and C are new. These sections grew out of Section 9 that was pulled out of Amendment 2015-03 at the last Commission meeting. These sections relate to scholarships or grants to participate in educational or training events.

Subsection B provides that state officers or employees may accept a grant or subsidy, including the costs of transportation, lodging, meals, refreshments, entertainment, instruction and materials made available to other participants, to participate in an educational or training event sponsored by a foreign government, the United States government, the government of another state or an organization to which the State of Oklahoma pays membership dues either for the State, a state agency or an individual state officer or employee.

As to organizations where the state pays membership dues for the entire state, such as the National Conference of State

Legislators, National Governors Association, the State also pays for state agencies' memberships. Our membership in the Council on Governmental Ethics Laws (COGEL) organization is paid by the State. This section states that if one of these organizations sponsor the training or educational conference, then participation is permitted.

Subsection C provides language relating to the educational or training event sponsored by a bona fide governmental, professional or business organization other than an organization described in Subsection B, this could be a private foundation or any governmental sector organization. In those cases, the state officer or employee who participates is required to file a report, such report includes the date or dates, location of the event, the name of the sponsoring organization or organizations, the name and job title and description of the state officer or employee participating, the subject matter of the event, the approximate value of the scholarship, grant or subsidy. For non-elected state officers or employees, the report shall include a certification by the chief administrative officer of the agency that employees the state officer or employee that the educational or training event will significantly assist the state officer or employee in discharging his or her duties. Reports shall be filed within thirty (30) days following the last day of the event and shall be displayed on the Commission's website.

Section 4 provides an amendment to Rule 5.6. This is a lobbyist rule that deals with gifts to the Governor, any legislator, or any employee of the Governor or Legislature. Page 4, Line 19, the language "nothing of value" is stricken. New language is "no gift."

The new language of section 4 is on the bottom of page 5. Agencies may provide two (2) tickets or admission to any conference, seminar, lecture or similar event held within the boundaries of the State of Oklahoma and sponsored in whole or in part by the agency to the Governor, any legislator, or any employee of the Governor or Legislature, provided the tickets or admission are used by the recipient and a family member of the recipient. This provision **does not** include football tickets.

Comments or Questions by the Commissioners:

Commissioner Walker commented that after last month's meeting, he re-read the language that was introduced as Amendment 2015-03 and has changed his mind. He believes

as long as there is full disclosure of individuals who are supporting those junkets that it should be up to the voters to decide if attendance is proper. At the appropriate time, Walker will propose new language for Subsection C.

Copies of Walker's amendment were distributed to the Commissioners as well as people in attendance.

Walker's proposed language makes reference to Amendment 2015-03 but it is corrected to reflect Amendment 2015-04 as being discussed today. Walker made a motion to enter his subsection C as proposed in his Amendment, page 3, of the Amendment that was distributed.

Walker provided an explanation of his proposed language. He stated that it is a bit more of an exhaustive list of who can participate in these events: an elected state officer, an officer appointed by the Governor, the chief administrative officer of a state agency or a member of a governing entity of a state agency. There are officers of various entities that are appointed by the Governor, some confirmed by the Senate and some not confirmed and of course, includes the governing entities of state agencies. These people should be covered by the rule. Basically, the language is the same as the proposed language until you get down to who is paying for the event.

Walker believes it is important to follow the philosophy that we followed in the massive rewrite and that as much as possible, we need to shine the light of day on individuals that are influencing governmental decisions. Subsection C and proposed language allow different "light-shining" rules for each of the groups. For example, if the entity that is paying for the event is a private organization, the public is served by the required report. If the group is a farmer's cooperative, the public is well-served by knowing the members of the cooperative. Same is true for indemnity associations or home owner associations. The real controversy is 527 groups. Dark money sponsors most of the events at the federal level. If someone is going to attend one of those events, those individuals that are sponsoring the event should be disclosed. Basically, language is being proposed by Walker that includes the nonprofit groups that are involved in influencing governmental decisions. Walker excluded the profit organizations because the public knows their information.

No further questions or comments by the Commissioners.

Public Comment:

Rep. Wesselhoff requested clarification as to page 3, line 14, of the proposed Amendment 2015-04 as posted on the Commission's website. Specifically, he requested clarification as to whether the language includes private organizations such as the American Legislative Exchange Council (ALEC). Slater clarified that it references the participation in an event sponsored by organizations that the State does not pay membership dues but Section C would require that a report be filed.

Rep. Banz thanked the Commission for its service. It's not always easy to deal with the decisions that face the Commission. The current Rules in place today would forbid us to accept scholarships. In Oklahoma, we have a very rich tradition of participating in national organizations by our elected officials. Rep. Banz mentioned that he is in his last two years of service. Some legislators are requested to visit other parts of the country to be a resource for information. It is not only valuable for the legislators to attend these conferences and bring back this information. It's also important that we assist other legislators in other states in offering resources. We receive and we contribute. Frequently, on the floor, we are asked if there is a problem. I think we got left out of the original rule. Please don't do anything that makes it more difficult and more complicated for us to participate. Most of these organizations are 503(c) organizations so we aren't going to be able to name individual contributors. We have no issue with the reporting requirement; we just request that the process be kept simple so we can continue to participate.

Pettigrew questioned Rep. Banz as to his opinion of the proposed amendment. Rep. Banz commented that the proposed amendment by Director Slater is acceptable and spot on. We can live with it.

Rep. Moore asked for clarification whether 2015-04 is the proposed amendment in place. Slater commented that Walker's amendment is 2015-03 and it amends Section C of the current proposed 2015-04. When 2015-03 was being considered at the December meeting, Section 9 of 2015-03 was tabled for further discussion. So today, there is an error in the identification as 2015-03 due to the December meeting. Walker's amendment is a new proposed language as to Section C of the posted Amendment 2015-04.

Rep. Moore asked if there was any time limit as to presenting a new amendment. In the House, there is a 24 hour rule or 5 day rule. Most of the legislators have not been able to see the proposed amendment by Walker. Slater mentioned that 2015-04 has been posted on the Commission's website for at least a week. There are no rules governing a timeline regarding the submission of proposed amendments.

Walker commented that his proposed amendment is a result of the measure that was tabled at the December meeting and his further review of 2015-04.

Rep. Moore commented that Walker's effort wasn't as transparent as he might have intended. Moore has pictures of people taking pictures of folks attending the conferences. Some people yell and scream at us, do hand gestures, etc. For today's meeting, Moore brought some information from some of the conferences he has attended. He has participated in conferences mainly due to being assigned to certain committees. National Conference of Insurance Legislators (NCOIL) conference is valuable to someone in the insurance industry. The ALEC conference attendance is valuable to legislators. Moore doesn't believe that any of the conferences he has attended are "junkets" as defined in the proposed language. He doesn't know how this proposal impacts people attending these conferences and now there is additional paperwork. Moore does believe that the process should be transparent. He would like to see everyone go through the process and then talk about it later. We are part-time legislators but it is a full-time job to oversee the government. He appreciates the Commissioner's work.

Rep. Mulready thanked the Commission for their hard work. The Commission has worked hard on revising the rules. He appreciates the transparency and he believes there should be transparency. He has served for four years. Mulready mentioned that takes offense to the word "junket." When he attends a conference, he leaves his family behind. He attended a meeting around sixty days ago. He was invited to the meeting due to national connections. The Milbank Memorial Foundation was founded one hundred years ago. The sole purpose of this organization is to connect leaders and decision makers with the best evidence and experience to help the health insurance crisis. He flew in on a Thursday night and the conference was for forty-eight hours in length. There were sixteen states represented with thirty-five people in attendance. Everyone spoke to their state's Medicaid program. It was

working lunches. A comment on junkets is not appropriate. They publish a quarterly newsletter and they have a few conferences a year.

Mulready mentioned another issue is that we have term limits imposed on legislators. There is not enough time to get up to speed to be effective leaders. If we restrict conference attendance too much, we are really hindering the progress of our state. Director Slater's proposed amendment is a great step. If it's about transparency, then have us report all of it. As to Walker's amendment, we don't know who the individual contributors are to a particular organization. I think it's an overstep to require of us something that the federal government doesn't require of us. It seems rather cumbersome. I think we give a lot and we gain a lot as to those opportunities to attend conferences.

Rep. Cleveland asked the Commissioners to speak into their microphones so the comments can be heard by everyone. I couldn't hear Mr. Walker's comments. In his former life, he traveled all the time. Cleveland doesn't like to travel too much now. He has attended the ALEC conference and on another conference, he received a lot of valuable information on prison overcrowding, an issue we have here in Oklahoma. He received information at that conference that he would not have had but for attending the conference. He has never been at a junket in his life. He stated that he doesn't know what a "junket" is. He asked Walker a question regarding "dark money." Is it against the law? Walker commented that Cleveland had asked 2 questions. Walker responded that dark money doesn't disclose the individuals and organizations behind the money. It can be against the law depending on how it is used. Walker commented that some individuals hide behind the organizations. Currently, 527 organizations are not required to disclose their individual contributors.

Rep. Cleveland commented that dark money is legal. Walker commented that he was wrong and that it is not what the Supreme Court ruled on. Walker said that this is not about national campaigns. Federal election transparency rules are not nearly as extensive as Oklahoma transparency election rules.

Rep. Denney thanked the Commission for their work. Her background is that she is a veterinarian. As a veterinarian, she is required to have so many hours of continuing education to keep her license. She views her attendance at conferences as

continuing education. She works mainly in the education area for the State of Oklahoma. She mentioned that she has gained valuable information and she takes an issue with the conferences being called junkets. We work very diligently during the conferences. When Denney has accepted a scholarship to attend the conference, she attends all portions of the meeting. She takes in all the information she can during her attendance.

Denney mentioned that she appreciates that Mr. Slater has included proposed language that will allow them to continue to accept scholarships. When she was first elected, she took money from contributors. She doesn't feel that she is signing on to the organization providing the scholarship when she attends those conferences. We attend the conferences and then they bring those ideas and best practices back to Oklahoma. The scholarships help to provide us access to the conferences.

Slater mentioned that Rep. Denney has been elected the Speaker Pro Tempore.

Rep. Jordan also thanked the Commission and the willingness of the Commission to allow public comment. He has a concern with Walker's proposed language. On page 5, the last sentence of subsection 5 of section D, references "it is the intent of the Ethics Commission that every source of funding be attributed to a person not a legal fiction." Jordan asked for clarification if Walker meant legal faction or legal fiction. Walker said he meant legal fiction. Jordan asked Walker to define the meaning of "legal fiction." Walker responded that it is a legal entity that is not a human being; a corporation is a legal fiction.

Jordan questioned Walker that his proposal would require each participant to figure out each and every individual that has made any type of contribution to a dark money group, whether it would be a nickel, five dollars, possibly cups donated by McDonald's, etc. Is that the information that Walker is seeking? Walker commented that yes this would be the information he is requesting. Jordan then commented that this proposal would set up everyone to fail. Walker responded to say that he is not setting up anyone to fail but that he wants for the public to know when it's a 527 organization defined as a political organization as to who is making contributions. Jordan mentioned that Walker is making reference to the federal tax code and using the federal tax code to define Oklahoma ethics

rules. Walker commented that he was using Section 527 of Internal Revenue Code to define an organization that can lawfully participate in politics and not be taxed. When a person who is a policy maker for the State of Oklahoma attends a meeting at the expense of a certain political organization, the people, the voters, the taxpayers of the State of Oklahoma should know who the individuals are that contribute to such organization.

Jordan questioned Walker as to monetary standards. In campaign rules, if a contribution is under fifty dollars, then we don't need to itemize that contribution. The contribution does not list a name of the person making the contribution. Jordan commented that Walker's proposed language places a duty with the person receiving the scholarship to find out any and all individuals, regardless of how much they have contributed to these groups. Walker commented that it was Jordan's perspective on the issue. Walker's perspective is if that organization wants someone to attend at their expense, the organization must be prepared to disclose their contributors.

Jordan further commented that Walker's proposed language will create a higher standard for federal organizations. Walker wants to create a higher standard for Oklahoma policy makers than federal policy makers. Jordan mentioned the dilemma and Walker commented that he understands the dilemma. Walker mentioned that the dilemma for the conference attendee is being caught between a rock and a hard place if you want to attend the conference. For the organization, they want you to attend to influence your decisions. In Walker's mind, if they want to influence you, then we as the people in Oklahoma have a right to know.

Jordan asked Walker if he has ever taken a free lunch here at the Capitol. Walker commented that he has never taken a free lunch from any group. Jordan mentioned that the dilemma is not participating in the conference but the real dilemma is that the attendee now has to figure out all the individual contributors' names, their contributions amounts and report all this information within 30 days.

Walker is aware of his proposed language. He commented that billionaires from Kansas would also need to be disclosed. Jordan mentioned that with this proposed language Walker is trying to force a higher standard than that of current standards for Oklahoma campaigns. It is bad language. If that is your intent, then you are setting up any and all legislators for failure.

There is no way to know all this information. Jordan requested that the Commissioners review the language before voting. This language would force everyone to be in breach from the onset. Please reconsider the language.

Glenn Coffee, a private attorney who is in attendance at today's meeting, represents various clients. As the Commissioners develop the rules, he sees the guiding principles of transparency, clarity and operation. He knows that the Commission has considered a much broader rule as they went through the process. The staff's rule before the Commission today is much narrower in scope. He believes the proposed amendment by Slater addresses the issues that the Commission is trying to accomplish. In general, one of my clients had an opportunity to attend a national conference at the expense of an Oklahoma based company. The company provided Coffee's client a ride on a corporate jet. His client was meeting with federal and corporate officials to talk about policy relating to Oklahoma. If his client had been precluded from accepting the ride, it would have been a bigger expense to the State of Oklahoma, a longer trip, etc. Coffee shares this story with permission today with the Commission. While the transparency and the goals are well intentioned, there may be unintended consequences. Walker's rules would apply to this appointed official. Walker's rules are more narrow in scope and given the complexity and specificity of Walker's proposed language, Coffee wonders if it will create more gaps that may or may not include all officials, employees or organization. The reporting requirements under the new rules dovetail nicely with the federal organizations that allow people to obtain that information. The timing might be a factor to provide all that information. 527 groups only file once a year with the Internal Revenue Service. Coffee thanked the Commission for allowing him to give comment.

Walker questioned Coffee as to his client. Coffee mentioned under Walker's proposed language, if an official accepts a scholarship or other benefit the information would have to be disclosed. Walker commented that it is his intent that if a business entity is providing the benefit, then simply naming the business entity is sufficient.

Rep. Coody thanked the Commission for all the Commissioners do. Coody mentioned that she has had a long and good relationship with the Ethics Commission. She calls frequently and always finds the staff very helpful. She knows that the Commission staff wants to help each and every

legislator. She appreciates the oversight of the Commission.

Rep. Coody made comment as to the proposed 2015-04 provided by Director Slater. She is in support of this amendment. Legislators attend national conferences and those conferences are very helpful in assisting us with gathering information. As a lifelong educator, she too has attended continuing education seminars. Those conferences were paid by a fund established for such purpose. The meetings are very beneficial and they offer research results and allow legislators to exchange information on important topics. These topics are important to the people of Oklahoma. The conferences are of varying subjects and the conferences assist us in doing a better job. She has attended the National Conference of State Legislators (NCSL) and ALEC conferences. Most of the conferences she attends are education conferences. She represents the State of Oklahoma.

She feels a responsibility to learn what she can during the meetings. She gets to hear experts on certain topics and this attendance assists us in our legislative responsibilities. She has appreciated being able to attend and to offer her knowledge to other legislators around the country. Time is limited and we make most of the time. We usually have working lunches and dinners. She commented that these conferences are not vacations. Coody mentioned that Oklahoma legislators are not part-time legislators. This is a fulltime job. Not all organizations offer scholarships and most times, we pay our own way. We want our legislators to be well informed as to the topics of the day. She believes that Amendment 2015-04 which does require reporting is not cumbersome. She asked for the Commission's understanding as they decide on these rules. She thanked the Commission for listening to comments today.

Rep. Moore offered additional public comment. He spoke to 527 organizations in the Internal Revenue Code. He questioned Walker if it was his intent to report persons receiving a scholarship to the Internal Revenue Service. Walker stated that it was not his intent to report anyone. Regardless of which form of 2015-04 is approved at today's meeting, the sponsoring organizations will be public information. The majority of the Commission's records are public records. Anybody who wants to look at the website can gain whatever information they want from the website.

Rep. Moore commented that people of the Internal Revenue Service might harass people that are attending conferences due to the public records. He does not support that behavior.

Rep. Nelson mentioned that he would not have been able to attend a particular conference but for the scholarship. Conference was in Washington, D. C. Nelson hears all the information and probably to the disappointment of the people that paid for the conference, he didn't side in their favor. He mentioned that the legislators don't attend the conferences to be sold a bill of goods. When legislators attend conferences, they get both sides of the information. The nature of being in the Legislature fundamentally relies on travel. There is travel to the Capitol, there is travel among the districts, and travel to the conferences. He requested that the Commissioners to not add frustration to the process. The whole point of being in the legislature is to go meet with people and bring that information back to the Capitol to vote on legislation. They can learn a lot from listening to other legislators in other States. Nelson completely supports transparency but it can't work if the effect is a prohibition. He mentioned that being a legislator is a full-time job. In the Commission's deliberations, he asked for the Commission to provide for reasonable transparency that allows people to go and get good information to assist them with the legislation process.

Comments or Questions by Commissioners and Staff:

Chair Long thanked everyone for the public comment and their attendance at today's meeting. It helps to hear the comments, real world stories and the experiences of each Legislator today.

There are many comments made by Legislators and how they do their jobs. The business of the people is done not only in Oklahoma but outside of the State of Oklahoma through conferences and seminars. We would deny the people of Oklahoma by not allowing the Legislators to attend conferences to gather the information and knowledge that they need to do their jobs.

Public comment plays a vital role in assisting the Commission's work. It is always important comment on our rules and those comments assist us in continuing the Commission's work.

Slater also thanked the Legislators for their comment and their presence at today's meeting. Slater commended Rep. Coody on her bringing the other Legislators with her to today's

meeting.

Discussion and Possible Action  
on Amendment 2015-04.

**Discussion:**

No Discussion.

**Motion:**

Pettigrew made the following motion:

Madam Chair, I so move that this Commission adopt Amendment 2015-04 as written and posted on the Commission's website.

Stocker seconded the Motion.

Walker makes a motion to amend the amendment in the following fashion: to strike the entire section C and substitute, therefore, the language that was circulated as Sections C and D with the following wording change on page 5, line 13. Striking the words "in whatever form" and substituting these words after the comma, "in excess of which is required for reporting as a contribution to a campaign committee, as last reported according to the requirements of the Internal Revenue Code."

No second was given to the Motion. Walker's motion fails.

Original Motion:

Pettigrew – yes, Stocker – yes, Walker – no, Long – yes.

**Motion carried. 2015-04 as posted on Commission's website has passed.**

Consideration and Possible Action  
on Final Adoption of the  
Commission's official promulgated  
Rules for year 2015.

Walker made the following motion:

Madame Chair, I move as follows:

1. Pursuant to Article 29, Section 3 of the Oklahoma Constitution, the Commission submit to each House of the Legislature and to the Governor, its promulgated rules, all rules and amendments to rules approved today and on October 10, November 14, and December 12, 2014;
2. The Commission authorizes the Chair or the Chair's designee to make typographical and nonsubstantive modifications and prepare such submission documents with language as may be necessary.
3. As a matter of courtesy, the Commission also provide the Chief Justice of the Supreme Court and the Attorney General copies of that which are submitted to the

- Legislature and Governor, and
4. The Commission authorizes the Chair or the Chair's designee to approve the final draft of the promulgated rules prepared by staff in accordance with today's vote.

Pettigrew seconded the motion.

Walker – yes, Pettigrew – yes, Stocker – yes, Long – yes.

**Motion carried.**

Consideration, Discussion and Possible Action on Minutes for Public Hearing, Regular Meeting and Executive Session held on December 12, 2014.

Pettigrew moved to approve minutes of the December 12, 2014, public hearing, regular meeting and executive session. Walker seconded. Roll was called and the vote was as follows: Pettigrew – yes, Walker - yes, Stocker - yes, Long – yes. **Motion carried.**

Discussion of Agency Expenditures for the month of December, 2014.

No discussion on agency expenditures.

Executive Director's Report.

Slater said he had met with officials of Oklahoma City to discuss the new Municipal Campaign Finance and Financial Disclosure Act. He said he conducted a video conference with the Council of President for Higher Education arranged by Chancellor Glen Johnson, emphasizing the new legislative liaison requirement of the Ethics Rules. He said that he would make the first agency presentation on the new Ethics Rules to members of the Corporation Commission and their staff next week.

Slater asked Deputy Director Kemp to update the Commission on development and implementation of new software. Kemp provided a lobbyist registration update: 424 lobbyists have registered. Committee registration is being tested currently. We are hoping to make the system live for committee registration within the next week to 10 days. Lobbyist expenditure reporting will be in testing as soon as committee registration testing is complete. Lobbyists have their first report due in February. By the next meeting, lobbyists should be filing reports on the system and committees will be registering.

Walker asked how many executive lobbyists were registered in the system. 218 lobbyists have registered with the designation of executive lobbyists.

Slater said the Commission's website now includes Guides for County Candidates, Guides for Municipal Candidates and Guides for School Board Candidates; provisions of the County,

Municipal and Technology Center District and School District Campaign Finance and Financial Disclosure Acts; fillable forms for filing Statements of Organization and Campaign Contributions and Expenditures Reports and Financial Disclosure Statements and, for counties, a 2015 reporting calendar.

He said the Legislature organized on Tuesday, and that the first significant legislative deadline was for introduction of bills on January 22. He said he had met with Representative Earl Sears and Representative Dennis Casey, the new chair and vice chair of the House Appropriations Committee and with Senator Clark Jolley, chair of the Senate Appropriations Committee. He said that Senator Greg Treat would be the new vice chair of the Senate Appropriations Committee. Slater said appropriations committee chairs and vice chairs in the Senate and House were all new---Senators Kyle Loveless and Roger Thompson and Representatives Dennis Johnson and Gary Banz. He said that the House had created a new substantive committee on Elections and Ethics to consider ethics-related legislation. He said he had met with the committee chair, Representative Paul Wesselhoft. Representative Donnie Condit is the vice chair. Slater said leadership had changed for the Senate Rules Committee, to which ethics legislation traditionally has been referred. Senator Ron Justice will chair the Rules Committee, and Senator Eddie Fields will be vice chair.

A short break was taken at 11:52 a.m. Back on the record at 12:00 Noon.

General Counsel's Report

General Counsel Long briefly mentioned former (Virginia) Governor Bob McDonnell was sentenced to 2 years (prison)

Consideration, Discussion and Possible Action on Requests for Waiver of Ethics Rule 5, Lobbyist Registration and Reporting

Explanation of the Waiver rule by Director Slater:

Under the old rules, there were no provisions for preexisting relationships that might affect the relationship between a lobbyist and state officers and employees. The Commission approved Rule 5.25, which basically permits a state officer and employee to apply to the Commission for a waiver of the rule based on a preexisting relationship between the state officer and employee and a legislative liaison, legislative lobbyist and executive lobbyist. The Commission must make a finding that the purpose of these rules will not be impeded or hindered by

the Waiver. The waiver has prospective effects only and the Commission is entitled to request whatever information that it deems appropriate by the applicant.

Commissioner Walker asked the question whether the waiver waives the relationship and not the reporting. Slater mentioned that if the Waiver is granted, the rules don't apply to the interaction between the parties. Some of the waivers requested today will not be necessary under the Amendments that the Commission had adopted this year.

If the waiver is granted, then the Rule simply doesn't apply to the parties. Any interaction between the parties would not be subject to the Rules.

W-15-01, Request by Mr. Jordan Russell for a waiver of rules for preexisting relationship with Ms. Jessica Bess Russell.

Mr. Russell is the policy director for Speaker Hickman. His spouse is a legislative liaison for a state agency. Jordan Russell is in attendance. He has no comments but will answer any questions.

W-15-02, Request by Rep. Scott Biggs for a waiver of rules for preexisting relationship with Ms. Blayne Arthur.

No one was in attendance for this waiver request. Ms. Arthur is Rep. Biggs' sister-in-law; she has been in the family since 1998.

W-15-03, Request by Ms. Barbara Gibbons for a waiver of rules for preexisting relationship with Mr. Bryan Fried, Mr. James "Jim" Fried and Ms. Otie Ann Fried.

Ms. Barbara Gibbons is present today to make comments and/or answer questions. Her son, Bryan Fried is an executive lobbyist for the Oklahoma Health Care Authority. Ms. Gibbons is employed by the Oklahoma Health Care Authority. Her ex-husband, Jim Fried and his wife, Otie Ann Fried, are also registered lobbyists. They all maintain a familial relationship.

Walker made the following motion:

Madame Chair, I move the Commission to determine that if we approve Requests for Waivers, W-15-01, W-15-02 and W-15-03, such waivers will not hinder or impede the purposes of the Ethics Rules, and based on that determination, we approve all requests for waivers.

Stocker seconded the motion.

Walker – yes, Stocker – yes, Pettigrew – yes, Long – yes.

**Motion carried.**

Consideration, Discussion and Proposed Action to Adopt and Promulgate the complete revocation of the following permanent Administrative Rules.

General Counsel Long mentioned that the revocation process has been started, the proposed rules and the Notice of Intent of Rulemaking was published in the Register. A public comment/ public hearing was scheduled for December 19, 2014. No public comment was received. All commissioners have received copies of the rules. General Counsel advised that the Commission should proceed with the promulgation of the revocation of the Administrative Rules. Oklahoma Administrative Code, Title 258, Chapter 1, Chapter 20 and Chapter 25.

Walker made the following motion:

Madame Chair, I move the Commission to adopt and promulgate the complete revocation of the following permanent Administrative Rules all found in Title 258 of the Oklahoma Administrative Code, to-wit: Chapter 1, Chapter 20 and Chapter 25.

Pettigrew seconded the motion.

Walker – yes, Pettigrew – yes, Stocker – yes, Long – yes.

**Motion carried.**

Consideration, Discussion and Proposed Action on Closed/Executive Session

Statement by Attorney is listed as Agenda Item 12(a).

Walker moved to go into Closed/Executive session. Stocker seconded. Roll was called and the vote was as follows: Walker – yes, Stocker – yes, Pettigrew – yes, Long – yes.

**Motion carried to go into Executive/Closed session at 12:20 p.m.**

**Executive session was held in the Conference Room located within the Ethics Commission office in the Capitol basement, Rm. B-5.**

Possible Action to Return to Open Session

Walker moved to reconvene in open session at **1:34 p.m.** Stocker seconded. Roll was called and the vote was as follows: Walker – yes, Stocker – yes, Pettigrew – yes, Long – yes.

**Motion carried.**

No action taken on any items listed on Agenda.

New Business

No new business.

Adjournment

Stocker moved to adjourn. Pettigrew seconded. Roll was called and the vote was as follows: Stocker - yes, Pettigrew – yes, Walker – yes, Long – yes. **Motion carried.**

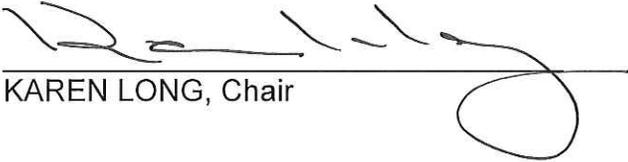
Meeting ended at 1:36 p.m.



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LEE SLATER, Executive Director

Approved on Behalf of the Commission:



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KAREN LONG, Chair