

MINUTES OF REGULAR MEETING
OF THE ETHICS COMMISSION
STATE OF OKLAHOMA
HELD DECEMBER 13, 2019

Call to Order.

Upon notice, with the 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 forty-eight (48) hours in advance with the Office of the Secretary of State, a regular meeting of the Ethics Commission of the State of Oklahoma ["Commission"] was called to order on Friday, December 13, 2019, at 10:03 a.m. Chair Charlie Laster ["Laster"] opened the meeting, which was held in Room 511A of the 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: Holly Johnson ["Johnson"] and Cathy Stocker ["Stocker"]. A quorum of members was declared.

Staff & Visitors.

Commission staff members present at all or part of the meeting were Ashley Kemp ["Kemp"], Stephanie McCord ["McCord"], and Ariel Koerner ["Koerner"].

Observing all or part of the meeting: Christina Oden, LegisOK; Josh McGoldrick, State Office; Denise Lawson, Attorney; James McSpadden, Lobbyist; Tami Hines, Attorney; Chelsea Smith, Attorney; Lynn Howell, Common Cause OK; Jim Dunlap, Lobbyist; Shauna Peters, OSPA; Geoffrey Long, Attorney; Amy Anderson, Citizen; AJ Ferrate, Citizen; Johnathan Buxton, Attorney; Arnella Karges, Senate; Nolan Clay, The Oklahoman.

Open Meeting Act Compliance.

In compliance with Open Meeting Act.

Introductions and Announcements.

None.

Consideration, discussion, and possible action on minutes for the regular meeting and executive session held November 8, 2019.

Commissioner Johnson moved to approve the minutes for the regular meeting and executive session held November 8, 2019.

Commissioner Stocker seconded.

Roll was called and the vote was as follows: Johnson - yes, Stocker - yes, Laster - yes.

Motion carried.

Report and recommendations from Budget Committee.

Vice-Chair Johnson gave report from Budget Committee and reviewed Budget Committee Report and suggested request attached as "Budget Committee Report and Recommendation."

Consideration, discussion, and possible action on Commission's FY 21 budget request.

Commissioner Stocker moved to adopt FY 21 budget request as recommended by the Budget Committee.

Commissioner Johnson seconded.

Roll was called and the vote was as follows: Stocker - yes, Johnson - yes, Laster - yes.

Motion carried.

Consideration, discussion and possible action on request for waiver of Ethics Rule 5, Lobbyist Registration and Reporting, based upon a preexisting relationship pursuant to Rule 5.25

Benjamin Joshua McGoldrick, Chief of Staff/General Counsel at the Oklahoma Department of Commerce appeared and explained his request.

Commissioner Stocker moved to approve waiver request W-19-07 by Benjamin Joshua McGoldrick for waiver of rules for preexisting relationship with Tiffini Jackson and Michael Jackson.

Commissioner Johnson seconded.

Roll was called and the vote was as follows: Stocker - yes, Johnson - yes, Laster - yes.

Motion carried.

General Counsel's Report.

Report provided by General Counsel McCord on Advisory Opinion Request 2019-02 status, notable cases and trends in other jurisdictions, and deferred conflicts of interest and recusal annual notice until next meeting when all Commissioners are present.

Executive Director's Report.

Report was provided by Executive Director Kemp on agency expenditures for the month of November 2019, lobbyist registration for 2020, PAC registration for 2020, 2020 election preparation, and reports on education and compliance.

Consideration, discussion, and possible action on Closed/Executive session.

Commissioner Johnson moved that pursuant to counsel's advice as set forth in the agenda, the Commission go into executive session in the Ethics Commission office, Room G-27 of the State Capitol.

Commissioner Stocker seconded.

Discussion or comments by commissioners. None.

Roll was called and the vote was as follows: Johnson - yes, Stocker - yes, Laster - yes.

Motion was carried to go into Executive/Closed session at 10:32 a.m.

Possible action to return to Open Session.

Commissioner Stocker moved to reconvene in Open Session at 1:35 p.m.

Commissioner Johnson seconded.

Discussion or comments by Commissioners. None.

Roll was called and the vote was as follows: Stocker - yes, Johnson - yes, Laster - yes.

Motion carried.

Consideration, discussion, and possible action on items considered in executive session.

Commission Rule 6.9 requires all Complaints, including discussions in executive session remain confidential unless the Commission finds release of that information to be in the public's interest.

For that Reason, in order to proceed in Case Number 2019-06 for this meeting, Commissioner Stocker moved the Commission deem it to be in the public's interest for the Commission to discuss certain limited information in Case Number 2019-06.

Commissioner Johnson seconded.

Roll was called and the vote was as follows: Stocker - yes, Johnson - yes, Laster - yes.

Motion carried.

In Case No. 2019-06, Commissioner Stocker moved that the Commission enter the following Order:

IT IS HEREBY ORDERED that Respondents' Combined Motion to Make More Definite and Certain and Motion to Quash the Subpoena Duces Tecum, and Respondents' Motion to Recuse are **DENIED**.

IT IS HEREBY ORDERED that Respondents are held in contempt of the Oklahoma Ethics Commission.

IT IS HEREBY ORDERED that the Respondents shall be given the opportunity to purge this contempt by providing the documents requested in the *subpoena duces tecum* issued to Respondents on October, 24, 2019 in full by Wednesday, December 18, 2019 at 5:00 p.m.

IT IS HEREBY ORDERED that failure of the Respondents to purge contempt by the date and time herein will result in the public release of this Order, including the names of the Respondents, and that further proceedings, and documents in Case No. 2019-06, may become public.

Commissioner Johnson seconded.

Roll was called and the vote was as follows: Stocker - yes, Johnson - yes,

Motion carried.

New Business.

None.

Adjournment.

Commissioner Johnson moved to adjourn.

Commissioner Stocker seconded.

Roll was called and the vote was as follows: Johnson - yes, Stocker - yes, Laster - yes.

Motion carried.

Meeting ended at 1:38 p.m.

Commissioners,

The budget committee of the Ethics Commission met Thursday, November 21, 2019 in Ada and again December 10, 2019 at the Commission office. Commissioners Engle and Johnson were present at both meetings, as was Director Kemp.

After thoroughly discussing the needs of the Commission the committee recognizes while the Commission is underfunded, the Commission should request targeted, incremental increases over time until the Commission is fully funded.

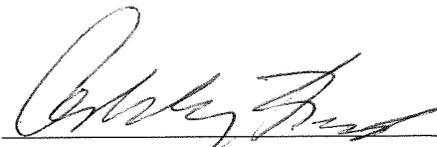
In Summary, the Committee recommends for FY 21:

1. Maintaining Baseline FY 20 funding	716,621
2. Request a Guardian System Revolving fund	Budget Neutral
3. Request funds for in house I.T. to include: 1 I.T. person, new computers and associated accessories	\$200,000
4. Funding of the existing Political Subdivisions Enforcement Fund	\$150,000
TOTAL FY 21 Request:	1,066,621

FY 21 Budget Request items 2-4 are explained below:

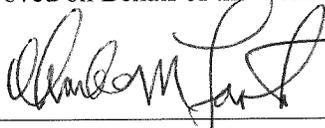
- 1) **Budget-Neutral Request: New Revolving Fund dedicated to stabilizing the funding of The Guardian System (TGS), created in 2015 as the Commission's online reporting system.**
 - a. **Self-Funding:** This would be funded through the registration and administration fees paid by those who primarily use TGS: lobbyists, lobbyist principals, political action committees, and candidate committees.
 - b. Funds in this account could only be used for the costs of the Commission in the processing and maintenance of reports filed with the Commission, such as:
 - i. **Funding the Required Maintenance Contract.** This would provide stability in funding the \$4,000 per month service and hosting contract with our vendor to keep TGS online.
 - ii. **Changes to TGS:** This would be used to pay for changes to TGS as needed, such as:
 1. Due to technological Changes Outside the control of the Commission such as changes required because of improvements to technology generally;
 2. Due to the Changes Necessary to ensure TGS accurately reflects the laws of the Oklahoma such as when the reporting and registration requirements in Oklahoma Change

3. Due to enhancements to improve the regulated community's use of the system.
 - c. **Permits the existing "Ethics Commission Fund" which is subject to the new limits on expenditures and automatic transfer of fees to the General Revenue Fund to be used exclusively for:**
 - i. Administrative Compliance Order Process; and
 - ii. Educational Programs and Resources.
- 2) **Request additional funds for Commission specific I.T. services:** Hiring of one I.T. Commission staff person which would be an ongoing cost, but also include one-time funds for replacement of the computers used by the Commission which are outdated and beginning to fail; and new I.T. accessories to facilitate the security and preservation of the Commission's computer systems and data.
 - a. **Security.**
 - i. Ensure only the Ethics Commission has access and control of Commission records to protect against the access, use, modification, deletion, or release of highly sensitive information for personal or political gain.
 - b. **Expertise and continuity for The Guardian System.**
 - i. **Subject Matter Expertise:** TGS requires both IT expertise and familiarity with Oklahoma law such as campaign finance reporting, lobbyist reporting, personal financial disclosure reporting, and Open Records law.
 - ii. **Background:** The implementation of The Guardian System was overseen by the Deputy Director of the Commission. However, this position has been vacant since July 1, 2016.
 - c. **Customer Service:** I.T. support to assist users that encounter issues using TGS due to their own personal equipment or software.
 - d. **Future Planning for Political Subdivision Online Reporting:** Assist in creation of a plan to bring political subdivision filing of campaign reports and financial disclosure reports online in TGS for unified, statewide online reporting in The Guardian System.
- 3) **Funding for the "Political Subdivisions Enforcement Fund" established in SB 1745 (2014).** This law attempted to make uniform campaign finance and financial disclosure laws consistent at all levels of government in Oklahoma. SB 1745 (2014) created a Political Subdivision Enforcement Division within the Ethics Commission, established a Revolving Fund specifically for that division to be used for enforcement of campaign finance and financial disclosure laws at the political subdivision level, and requires the Commission to enforce those laws *so long as* the fund has at least \$100,000. The \$150,000 appropriation would permit the Commission to initiate enforcement as contemplated in SB 1745.



ASHLEY KEMP, Executive Director

Approved on Behalf of the Commission:



CHARLIE LASTER, Chair