

MINUTES OF PUBLIC HEARING AND REGULAR MEETING
OF THE ETHICS COMMISSION
STATE OF OKLAHOMA
HELD FEBRUARY 13, 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, February 13 2015, at 10:02 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: John Hawkins ["Hawkins"], Thomas Walker ["Walker"], Cathy Stocker, ["Stocker"], and Long. 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"], Pamela Williams, ["Williams"] and Stephanie Black, ["Black"].

Observing all or part of the meeting: Glenn Coffee, Attorney; Denise Davick, Attorney; Caroline Dennis, Senate staff; Samantha Davidson, Senate staff; Darci McKee, Campaign Technologies; Cathy Welch, Campaign Technologies; Barbara Hoberock, Tulsa World; Megan Deaton, Journal Record; and Shawn Ashley, E Capitol News.

Introductions and Announcements
No introductions at this time. Director Slater announced that Marie Price, a longtime member of the Capitol press corps, has retired from the Journal Record. She had a good reputation for accuracy and fairness. She will be missed.

Remarks by Steve McNear,
President, Quest Information
Systems, Inc.
Mr. McNear represents Quest Information Systems, Inc., the vendor for the new reporting software. In early January, Quest was acquired by GCR, Incorporated, a Louisiana based consulting and technology solution company. Quest remains a stand-alone business and is a wholly owned subsidiary of GCR. Same management and the same people with the same solutions. Quest will continue to operate in the same fashion. Specifically, there are no changes for our

existing customers but now there are additional resources available.

Demonstration of website improvements and demonstration of new software by Chris Horne, Project Manager, Quest Information Systems, Inc.

Current OEC Website

Slater has requested for Pam Williams from the OEC staff to demonstrate some new website improvements. There are some new pictures on the website. The old staff picture is outdated. Current news will be listed on the home page and a notice regarding registration is now open for certain committees. In addition, we have added an area where the waivers that have been granted are listed. Reporting schedules are listed. Special Election calendar is now posted.

County, City and School Reporting pages. Guides are now available for school board candidates, municipal candidates and county candidates. The pages include the guides, the forms and financial disclosure forms applicable to each filer. Three separate pages with all the pertinent information relating to their specific elections.

We are continuously updating information on the website to make it as user friendly as possible.

Deputy Director Kemp spoke regarding the lobbyist and liaison reporting page on the Commission's website. There are icons on the page for access to both the old lobbyist reporting software as well as the new Guardian software. Today, for demonstration purposes, we are using a site that mimics the production site called the Sandbox. This allows us to test without using the actual live site.

Chris Horne, Quest Information Systems, Inc. Guardian Software

Ms. Lisa McCreary of Quest Information Systems is present with us by telephone for today's demonstration.

Mr. Horne spoke to the process of the project and how well the Quest team works with the Oklahoma OEC team. The Oklahoma team is very helpful with the how the system should work. Testing is very important to make a system work. The project approach is to gradually add capability to the system rather than try to do it all at once.

Initially, Quest rolled out the lobbyist registration capability in

December. Then we added in PAC registration capability. Next, we added in the functionality for the lobbyists to file their expenditure reports. The system works the same each time. We have a step by step testing approach before we ever launch the latest buildup into the production site.

He spoke to the different environments that are available for testing. The Sandbox environment allows us to test functionality without messing up production data.

He walked through public site and searched for a lobbyist. Registration form was viewed. In addition, he reviewed how to file a lobbyist/liaison expenditure and then how to file the monthly report. Political action committees, political party committees, candidate committees and special function committees registration is available.

Videos are available for certain functionality that help guide the filer through the process one step at a time. In addition, step by step instructions show screen prints to assist filers. Those videos and instructions are available under Resources.

Kemp mentioned that there is a very tight timeline with the software implementation. She complimented the efforts of the Quest team as we work through meeting timelines. On occasion, they bring in extra staff as needed to meet specific timelines. Kemp spoke regarding the TDS (technical development specification) documents. It is an evolving process that requires a lot of detail. The Quest team has kept the project on schedule. They are always available to meet our requests and we have continuing telephone conferences to work through our questions and issues.

Chair Long praised the efforts of the Quest team in the software implementation. In addition, Long thanked the OEC staff for their efforts in the software implementation.

Consideration, Discussion and Possible Action on Minutes for Public Hearing, Regular Meeting and Executive Session held on January 9, 2015.

Walker requested that the regular meeting minutes be held over for approval at the March meeting. He requested that a more detailed summary of each legislator's comments be added. The minutes should reflect in detail as to the many comments given by legislators as well as his comments. The regular meeting minutes of January 9, 2015, are held over to the March meeting for approval.

Walker moved to approve the executive session minutes of January 9, 2015. Stocker seconded. Roll was called and

the vote was as follows: Walker - yes, Stocker - yes, Hawkins – yes, Long – yes. **Motion carried.**

Discussion of Agency Expenditures for the month of January, 2015.

No discussion on agency expenditures.

Executive Director's Report.

Slater said that he and Deputy Director Kemp had joined members of the State Election Board staff together with Trait Thompson, State Capitol Project Manager, and Melissa Milburn, Director of Real Estate and Leasing Services, in a tour of the Oklahoma City-County Health Department building at 921 NE 23rd Street. He said the three-story building, connected by a tunnel to a Department of Human Services building, was a possible site for relocation of the Commission's offices during renovation of the Capitol. He said the Commission would be moved out of the Capitol later this year and probably would be relocated for at least three years.

Slater said the Governor's budget would cut the agency's operations by 6.25 percent, to \$691,152. He said the agency could make payroll costs and other minimal operating costs. Slater said he had appeared before both Senate and House Appropriations subcommittees to explain the agency's fiscal needs.

He said House Bill 1664, which included problematic language, was a substantive bill that was being considered.

Slater said he had delivered copies of amendments to the Ethics Rules to the Governor, the Senate, the House and, as a courtesy, to the Attorney General and the Chief Justice of the Supreme Court. He said he had a positive conference with Chief Justice Reif and Vice Chief Justice Combs.

Slater said he had videotaped a television show, The Verdict, with hosts Kent Meyers and Oklahoma City Mayor Mick Cornett to be aired on Cox Communications Cable in Oklahoma City and Tulsa for four days beginning on Sunday, March 22.

Slater said he spoke to a statewide meeting of the Federal of Republican Women's Clubs.

He said he conducted a continuing education seminar for the Corporation Commission and about 50 Commission executives. He said he and Deputy Director Kemp discussed municipal campaign finance law with a group of municipal

officials at a meeting arranged by the Oklahoma Municipal League. He said after a meeting with Oklahoma State School Boards Association counsel, he offered again to work together on a continuing education program, but that the OSSBA staff indicated they were conducting their own training programs for school board members. Slater said he made a continuing education presentation to the Senate Republican caucus.

Slater said 498 lobbyists and legislative liaisons had registered on the new Guardian software. Of that total, 27 are executive only lobbyists, 88 are legislative only lobbyists, 246 are legislative/executive lobbyists and 137 are legislative liaisons. He said the lobbyists and liaisons represented 886 lobbyist principals. Slater said 173 political action committees also had registered on the Guardian system and that on the first day that registration was made available, three political party committees and one special function committee registered.

Slater discussed several instances of positive feedback concerning the new software and the performance of the Commission staff.

General Counsel's Report

General Counsel Long briefly discussed the rulemaking process for the Federal Election Commission in response to the *McCutcheon v. FEC* case. He stated the FEC received over 32,000 written comments and heard oral testimony from over 60 experts in various fields. He stated the FEC is planning to remove the aggregate contribution limits that were struck down in *McCutcheon* and to examine other alternatives for regulation.

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

General Counsel Long reviewed all Waiver Applications:

W-15-04

Request by Ms. Judith S. King for a waiver of rules for preexisting relationship with Mr. Kenneth R. King

W-15-05

Request by Ms. Katherine A. Darr for a waiver of rules for preexisting relationship with Mr. Timothy "Dusty" Darr.

W-15-06

Request by Ms. Deborah Curry for a waiver of rules for preexisting relationship with Mr. Jimmy C. Curry

W-15-07

Request by Ms. Cindy L. Moore for a waiver of rules for preexisting relationship with Mr. Barry Moore.

W-15-08

Request by Rep. Leslie Osborn for a waiver of rules for preexisting relationship with Mr. Tyler Norvell.

W-15-09

Request by Ms. Amy Coulter for a waiver of rules for preexisting relationship with Mr. Kyle Coulter.

W-15-10

Request by Mr. Chris Coulter for a waiver of rules for preexisting relationship with Mr. Kyle Coulter.

Walker made the following motion:

Madame Chair, I move the Commission to approve Waiver Requests W-15-04, W-15-05, W-15-06 and W-15-07. Stocker seconded.

Roll was called and the vote was as follows: Walker – yes, Stocker – yes, Hawkins – yes, Long – yes. **Motion carried.** Stocker made a motion for approval of the remaining Waivers, W-15-08, W-15-09 and W-15-10. Hawkins seconded.

Walker commented that W-15-08 doesn't request a waiver as required. W-15-08 doesn't make us aware of a relationship. W-15-10 merely says that he fits in the category but we can't know how they are related.

Long mentioned that the information was presented by the General Counsel. General Counsel Long mentioned that he would like for the OEC staff to develop a form to help with these kind of questions to help with consistency of the information mentioned in the request.

Roll was called and the vote was as follows: Stocker – yes, Hawkins – yes, Walker – no, Long – yes. **Motion carried.** All waiver requests were approved.

Additional information discussed regarding the Waivers:

Commissioner Stocker requested that the Commissioners back up to the waiver portion of the meeting. She recalls at

the last meeting that a finding was required on the waivers and such language was included in the motion. Slater agreed and requested that the Motion be amended.

Commissioner Walker amended his motion on W-15-04, W-15-05, 1-15-06 and W-15-07, to include the finding that the rules will not be impeded by the waivers being granted. Stocker seconded.

Roll was called and the vote was as follows: Walker – yes, Stocker – yes, Hawkins – yes, Long – yes. **Motion carried.**

As to the Waivers W-15-08, W-15-09 and W-15-10, Stocker amended the motion to include the finding that granting of said waivers will not hinder or impede the Ethics Rules. Hawkins seconded.

Roll was called and the vote was as follows: Stocker – yes, Hawkins – yes, Walker – no, Long – yes. **Motion carried.** All waiver requests were approved.

Consideration, Discussion and Possible Action on Study by Commission of financial disclosure reporting requirements during 2015.

Chair Long mentioned that the Commission has overhauled the rules. There are few remaining issues that need to be addressed. Mainly, the issue of financial disclosure, following comments received from the general public. Currently, as of January 1, 2015, the rollout of the Senate bill requires disclosure by school board candidates, county officers, municipals filers and school board members. The issue is the information requested by the financial disclosure form and the role that triggers the filing of the form. For instance, school board members now have to file the form although they didn't have to file the forms in the past. The filers look at the financial disclosure form and wonder why they need to report the information because they feel the form doesn't point out any conflicts, for example.

Slater briefly mentioned that we devote an enormous amount of staff time to financial disclosure. One of the problems in his opinion is that there are too many people filing financial disclosure forms. We have strong conflict of interest rules but the current forms don't disclose conflicts. We can do an effective study using the tools of the past year, informal hearings with Commissioners and public hearings. There has never been an in-depth study of financial disclosure requirements. It was established by statute in the 1980s. It should be studied and reformed.

Stocker made a motion that the Ethics Commission staff conduct a study of the current financial reporting requirements. Hawkins seconded.

Roll was called and the vote was as follows: Stocker – yes, Hawkins – yes, Walker – yes, Long – yes.

Motion carried.

Consideration and Discussion of conducting continuing education programs on the same day as Commission meetings.

Slater discussed that the Commission staff has been scheduling continuing education programs. He thinks it would be ideal if some of the programs were scheduled on the same day as Commission meetings to allow Commissioners to attend without further disruption to schedules. If the majority of the Commission participates, we could continue the meeting into the training session. It might also be helpful to do some mini seminars on issues such as independent expenditures, electioneering communications and dark money. It may be helpful for some of the Commissioners to schedule the whole day and attend one of those sessions.

Chair Long would like to attend some of the training sessions. She is usually not able to attend the meetings due to daily schedules. This would allow us to make one travel day into Oklahoma City and attend some training sessions. It does provide us an opportunity to participate in training.

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

Consideration, Discussion and Proposed Action on Closed/Executive Session

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

Motion carried to go into Executive/Closed session at 11:45 a.m.

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

Commissioner Stocker left the meeting prior to Executive Session; she was not in attendance for the Executive Session.

Possible Action to Return to Open Session

Walker moved to reconvene in open session at **12:47 p.m.** Hawkins seconded. Roll was called and the vote was as follows: Walker – yes Hawkins - yes, Long – yes.

Motion carried.

13-009:

Walker made the following motion: Madam Chair, I move the Commission to dismiss Complaint 13-009.

Hawkins seconded.

Roll was called and the vote was as follows: Walker – yes, Hawkins – yes, Long – yes.

Motion carried. 13-009 is dismissed.

No further action was taken.

New Business

No new business.

Adjournment

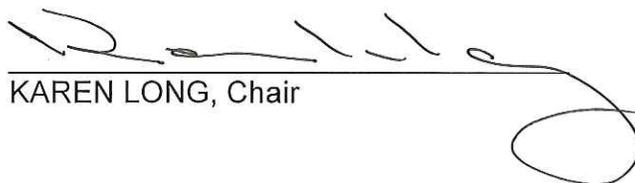
Hawkins moved to adjourn. Walker seconded. Roll was called and the vote was as follows: Hawkins – yes, Walker – yes, Long – yes. **Motion carried.**

Meeting ended at 12:50 p.m.



LEE SLATER, Executive Director

Approved on Behalf of the Commission:



KAREN LONG, Chair