

State of Oklahoma

FAIR RULES. FIRM ENFORCEMENT.



Guide for Legislators

2016-2017

“This publication is issued by the Oklahoma Ethics Commission as authorized by Executive Director, Ashley Kemp, pursuant to Ethics Rule 1.8, and is located at the following website: www.ethics.ok.gov. This publication has been submitted in compliance with Section 3-114 of Title 65 of the Oklahoma Statutes.” All Guides are updated annually in July. This Guide was updated on July 1, 2016.

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Commissioners

- Jo Pettigrew – Chair, re-appointed by Governor Mary Fallin, term expires July 2017
- John Hawkins – Vice Chair, appointed by Senate President Pro Tempore Brian Bingman, term expires July 2019
- Karen Long – re-appointed by Speaker of the House Jeff Hickman, term expires July 2019
- Holly Easterling – appointed by Chief Justice John Reif of the Oklahoma Supreme Court, term expires July 2021
- Cathy Stocker – appointed by Attorney General Scott Pruitt, term expires July 2017

I. Introduction

How to Use This Guide

This Guide summarizes selected Rules of the Oklahoma Ethics Commission as applied to members of the Legislature and legislative staff, effective July 1, 2016. It is written by the Commission staff to assist in compliance with the Rules, as authorized by [Rule 1.8](#). The Guide is not a substitute for the law. If there is a conflict between this Guide and the Constitution, statutes or Rules, then the Constitution, statutes or Rules prevail.

Limited Scope

This Guide is not intended to provide comprehensive information about all Ethics Rules and other relevant law concerning the subject matter. Legislators and their staff should become familiar with the relevant Constitutional and statutory provisions as well as with the Ethics Rules. This Guide does not address most of the Ethics Rules governing campaign finance issues. Information about campaign finance may be found in the “Guide for Candidates” and the other Commission Guides.

This Guide Is Limited to Oklahoma Legislators and Their Staff

This Guide addresses only Oklahoma law, especially Rules of the Oklahoma Ethics Commission, and is limited to state legislators and their staff. It does not address similar or identical issues at the federal, county, municipal or school district levels.

Advisory Opinions

[Rule 1.7](#) authorizes the Commission to issue official advisory opinions interpreting its Rules. Such advisory opinions are binding on the Commission. Ordinarily, the Commission will consider an advisory opinion only as it applies to the person requesting the opinion, rather than third parties. Requests for advisory opinions may be sent to the Oklahoma Ethics Commission.

Compliance Fees

The Executive Director is authorized to issue compliance orders to obtain compliance with these Rules, including late filing fees. A person affected by a compliance order may request a hearing to be conducted by an administrative law judge. [Rule 6.19](#)

Training and Education Fees

The Executive Director is authorized to establish and collect fees for participation in training and educational seminars, classes, and similar programs and materials. [Rule 1.8](#).

The Guardian System

The Guardian System is the Commission filing system in which all reports are filed. The Guardian System may be accessed at <https://guardian.ok.gov/> or on the Commission website at www.ethics.ok.gov .

The Guardian System is accessible 24 hours a day, 7 days a week. All reports are due in The Guardian System on the specified filing date, **regardless of weekends and holidays**.

For more information on how to use The Guardian System, see the documents and the YouTube videos with step-by-step instructions available on The Guardian System website. This information may be located in The Guardian System by clicking on the “Resources” tab and then clicking on “Publications” from the drop-down box.

Commission Website

Additional information on compliance with the Rules may be found on the Commission’s Internet website at www.ethics.ok.gov.

Contacting the Commission

The Commission offices are located in Room B-5 of the State Capitol. The Commission’s hours are Monday through Friday from 8:30 a.m. to 5 p.m.

The Ethics Commission contact information is as follows:

- Telephone number: (405) 521-3451
- Fax number: (405) 521-4905
- E-mail: ethics@ethics.ok.gov.
- Address: 2300 N. Lincoln Blvd., Rm B-5, Oklahoma City, OK 73105

Information regarding the Commissioners, the Ethics Commission staff, and the Commission meeting agendas and minutes may be located on the Commission’s Internet website at www.ethics.ok.gov.

II. Purpose of the Rules

Constitutional Responsibility

Under [Okla. Const. art. XXIX, § 3](#), the Ethics Commission has a duty to promulgate rules of ethical conduct for campaigns for state offices and rules of ethical conduct for state officers and employees. In discharging its duty, the Commission has promulgated rules governing campaign finance, misuse of office, conflicts of interest, relations with legislative lobbyists and legislative liaisons, political activities, financial disclosure and other matters. [Okla. Const. art. XXIX, § 3](#). Many of the Ethics Rules apply not only to legislators but also to other state officers as well. For that reason, use of the term “state officers” in this Guide applies to legislators in their capacity as state officers.

III. Recognition of Separation of Powers

Legislators Acting in Their Legislative Capacity

Legislators are subject to Constitutional provisions unique to their roles in state government. See, e.g., [Okla. Const. art. V, § 23](#) (ineligibility to appointment to office; contracts) and [Okla. Const. art. V, § 24](#) (disclosure of personal or private interest). Recognizing the Separation of Powers between the three branches of government, [Okla. Const. art. IV, § 1](#), the Ethics Commission as an executive agency does not encroach into those areas, i.e., where legislators are acting as legislators.

Representing Constituents, Gathering Information and Advocating Policy Positions

Members of the Legislature and employees of the Legislature acting at the direction and on behalf of a member of the Legislature do not violate the Ethics Rules by engaging in activities inherent in representing constituents, gathering information or advocating policy positions, provided none of those activities involve illegal threats, intimidation, coercion or promises of actions inconsistent with the Constitution or statutes or the Rules. [Rule 4.21](#).

IV. Misuse of Office

Self-Dealing and Favoritism

Unless it is permitted by law or the Ethics Rules, a state officer or employee may not use his state position for the following:

- (1) For his or her own private gain;
- (2) For the endorsement of a product, service or enterprise;
- (3) For the private gain of a family member;

(4) For the private gain of persons with whom the state officer or employee is affiliated in a nongovernmental capacity, including nonprofit organizations of which the state officer or state employee is an officer or member; or

(5) For the private gain of persons with whom the state officer or employee is seeking employment or business relations.

“Family member” includes a state officer or employee’s spouse, children (including stepchildren), mother, father, sister or brother.

Generally, these prohibitions are designed to prevent a state officer or employee from benefitting privately by virtue of his or her position in state government and from using that position to show favoritism to others. There are a number of exceptions, however.

a. Promoting or Soliciting Funds for Civic or Community Organizations

A state officer or employee may promote or solicit funds for civic or community organizations, including those promoting businesses or industries, and participate in fund-raising events provided the state officer or employee receives nothing for doing so. A state officer, for instance, could participate in a ribbon-cutting event for a new business provided he received nothing for doing so. Similarly, a state employee could solicit funds for a civic club provided he received nothing in exchange for doing so.

b. Promoting or Soliciting Funds for Charitable Organizations

A state officer or employee may promote or solicit funds for a charitable organization and participate in fund-raising events for charities, provided he or she receives nothing for doing so except the costs associated with participation in the fund-raising event paid for by the charitable organization. For example, a state officer could participate in a fund-raising golf event for a charity and receive food and refreshments, green fees, cart rentals and similar items that were part of the event for which other participants were charged, as long as the free items were provided by the sponsoring charity. In such a case, no other entity or individual could reimburse the charity for the state officer’s costs. [Rules 4.2\(4\)](#) and [4.4](#).

Misuse of Authority

In addition to the prohibitions against using one’s state position directly, a state officer or employee may not allow others to engage in actions that would benefit the state officer or employee or show favoritism, unless permitted by law or the Ethics Rules.

Specifically, one may not use or permit the use of his or her office or title or any authority associated with his or her state office in a way that is intended to coerce or induce another person, including a subordinate, to provide any benefit, financial or otherwise

(1) To himself or herself;

(2) To his or her family members; or

(3) To persons with whom the state officer or employee is affiliated in a non-governmental capacity, unless allowed by law or the Ethics Rules.

This provision includes using another person, such as another state officer or employee or a private citizen, to engage in coercion or to offer inducements that would lead to the prohibited results. [Rule 4.5](#).

V. Conflicts of Interest

Law Governing Legislators as Legislators Found in Constitution

The law governing legislators in their unique capacity as legislators is found in the Oklahoma Constitution. For example, [Okla. Const. art. V, § 24](#) addresses the requirements for legislators who may have a personal or private interests in legislation. This issue is not addressed in the Ethics Rules. However, there are Rules that apply to legislators and legislative staff in their roles as state officers and employees that are not uniquely applicable to the Legislature and its members.

Duty to Be Impartial

State officers and employees are expected to show impartiality when discharging their duties. These Rules apply to legislators or legislative staff when they are not engaged in legislative activities. For example, this provision could apply to the awarding of a contract by the Senate or House of Representatives.

The Ethics Rules provide two distinct situations in which state officers and employees must disqualify from participation in a matter (unless required to participate by law or permitted to do so by the Ethics Rules):

- (1) When a state officer or employee or a family member will benefit financially from a particular matter; or
- (2) when the state officer or employee knows that a person with whom he or she has a business relationship (other than a routine consumer transaction) is a party to or represents a party to the matter, and where the state officer or employee determines that circumstances would cause a reasonable person with knowledge of all the relevant facts to question his or her impartiality in the matter.

Both of these situations require careful analysis.

a. Disqualification for Financial Benefit

The first prohibition occurs when a state officer or employee knows that a particular matter involving specific parties is likely to have a “direct and predictable effect” on the “material financial interests” of the state officer or employee or a family member. “Family member” includes a state officer or employee’s spouse, children (including stepchildren), mother, father, sister or brother.

To analyze whether this prohibition applies, one must determine whether the state officer or employee or family member has a “material financial interest.” That term is defined by the Ethics Rules in detail and can be referenced in the Financial Disclosure section of this Guide.

A particular matter has a “direct and predictable effect” on a material financial interest if there is a close causal link between any decision or action to be taken in the matter and any expected effect of the matter on the material financial interest, even if the effect is not immediate.

There is no “direct and predictable effect” if a chain of causation is attenuated or is contingent on the occurrence of events that are speculative or that are independent of, or unrelated to, the matter.

There is no disqualifying conflict if the effect of the matter applies equally to all members of a profession, occupation or large class of which the state officer or employee is a member.

b. Disqualification When Impartiality Is Questioned

The second disqualifying situation necessarily involves a business relationship between the state officer or employee and a party involved in the matter or someone who represents a party in the matter. If the circumstances would cause a reasonable person to question the impartiality of the state officer or employee, then the state officer or employee should disqualify. The state officer or employee must use sound judgment in making this determination but may seek assistance from the Ethics Commission in doing so. (See below.)

Again, there is no disqualifying conflict if the effect of the matter applies equally to all members of a profession, occupation or large class of which the party is a member. [Rules 4.2\(4\) and \(6\)](#) and [4.7](#).

c. State Officer or Employee May Seek Advice from Commission

In considering whether the circumstances of a relationship would cause a reasonable person to question his or her impartiality, the state officer or employee may ask for advice from the Ethics Commission.

The Commission may exercise discretion in determining whether or not to provide such advice or may delegate responsibility to the Executive Director to provide such advice.

Such advice, if given by the Commission or the Executive Director, shall bind the Commission.

Failure to seek advice shall have no relevance in any subsequent Ethics Commission proceeding involving that individual. [Rule 4.7](#).

Representation in Transactions Involving the State

Unless authorized by law, a legislator or legislative employee may not receive or agree to receive compensation to represent or assist another individual or entity in any transaction involving the State of Oklahoma or to represent another individual or other entity before a state agency.

This prohibition does not apply to the practice of law in any court. [Rule 4.18](#).

Representation Before the Ethics Commission

A state officer or employee may not represent another individual or other entity as an attorney in any matter before the Ethics Commission. [Rule 4.19](#).

VI. Officeholder Expenses and Personal Use of Campaign Funds

Officeholder Expenses

As a successful candidate for state office, legislators are permitted to use campaign funds for ordinary and necessary expenses incurred in connection with the legislator's duties as a state officer, provided the expenses are not otherwise reimbursed or paid for by the State. "Ordinary and necessary" means expenses that would not exist but for the fact that the candidate was elected to and holds a state elective office. [Rule 2.2\(14\)](#).

Campaign funds may be used for officeholder expenses until the expiration of the legislative term, resignation or other vacation of office. When a legislator dissolves one candidate committee and contemporaneously files a Statement of Organization for a different candidate committee prior to the expiration of the term to which he or she was elected and transfers funds from the first committee to the second committee, the officeholder may pay officeholder expenses until the expiration of the term not to exceed the amount transferred. [Rule 2.44](#).

Personal Use of Campaign Funds

Campaign contributions may not be converted to personal use. "Personal use" includes use of funds to fulfill a commitment, obligation or expense of any person that would exist irrespective of a candidate's campaign or responsibilities as a holder of elective office.

Examples include food purchased for daily consumption in the candidate's home or supplies needed to maintain the household; clothing (excluding campaign clothing of low monetary value such as T-shirt or caps), rent or utility payments for the candidate's residence even if part of the residence is being used for a campaign; use of a motor vehicle for non-campaign purposes or non-officeholder expenses; interest on a loan made by the candidate or the candidate's spouse to the campaign; costs of a vacation or other trip not related to the campaign or officeholder expenses; admission to athletic events, concerts, theater or other forms of entertainment (except for events that are part of the campaign); dues in country clubs, health clubs, recreational facilities or other nonpolitical organizations and earnings from investments or contributions. This list of forbidden uses is intended to be representative, not exhaustive. [Rule 2.39](#).

VII. Relations with Lobbyists

What Lobbying Is

"Lobbying" generally means oral or written communications with regard to the passage, defeat, formulation, modification, interpretation, amendment, adoption, approval or veto of any legislation, rule, regulation, executive order or any other program, policy or position of state government. [Rule 5.2\(3\) and \(7\)](#). Lobbying must be on behalf of a lobbyist principal. [Rule 5.2\(3\) and \(7\)](#).

Lobbying does not mean testimony given before or submitted in writing to a committee or subcommittee of the Legislature, nor a speech, article, publication or other material that is widely distributed, published in newspapers, magazines or similar publications or broadcast on radio or television. [Rule 5.2\(3\) and \(7\)](#).

The Difference Between Legislative Lobbying and Executive Lobbying

“Legislative lobbying” is directed toward the Governor and the Legislature and their staffs. [Rule 5.2\(7\)](#). “Executive lobbying” is directed not toward the Governor and the Legislature and their staffs, but toward officers and employees of a state executive agency. [Rule 5.2\(3\)](#). An individual may be both a legislative lobbyist and an executive lobbyist if he or she meets the definitions.

No state officer or state employee may be a legislative or executive lobbyist. [Rule 5.28](#). In other words, a state employee may not lobby for a lobbyist principal, other than the agency that employs the state employee.

Legislative Lobbyists

Legislative lobbyists are individuals who contract with one or more lobbyist principals for compensation to represent that lobbyist principal to the Governor and the Legislature and their staffs. Legislative lobbyists are not state officers or employees but may be employees of political subdivisions. For example, an employee of County X who lobbies the Legislature would register and report as a Legislative Lobbyist.

Not all individuals who engage in lobbying activities on behalf of lobbyist principals are considered legislative lobbyists. Individuals who are employed by or contract with a lobbyist principal but whose lobbying activities are only incidental to and not a significant part of the services provided by the individual to the lobbyist principal are not considered legislative lobbyists. For example, the chief executive officer of a corporation that is a lobbyist principal may occasionally engage in lobbying activities, but those activities could be incidental to and not a significant part of the services he or she provides to the company.

Individuals who are not compensated for lobbying activities are not considered legislative lobbyists.

Federal officials acting in their official capacity are not considered legislative lobbyists.

Any person exercising his or her individual right to petition the government who receives nothing of value for lobbying is not considered a legislative lobbyist. [Rule 5.2\(8\)](#).

Legislative Liaisons

Legislative liaisons are state officers and employees whose duties in fact include legislative lobbying, regardless of their job title or job description. A state officer or employee whose lobbying activities are only incidental to and not a significant part of the services provided by the individual to the agency is not necessarily a legislative liaison. For example, an agency director may occasionally engage in lobbying activities, but those activities could be incidental to and not a significant part of the services he or she provides to the agency. Other agency directors may find that lobbying activities constitute a significant part of their responsibilities to their agencies and thus would be considered legislative liaisons. [Rule 5.2\(6\)](#).

a. Determining What State Agencies Have Legislative Liaisons

A state agency is not required to have a legislative liaison if that agency contracts with a private legislative lobbyist to provide lobbying services for the agency.

Otherwise, every agency must have at least one legislative liaison unless all officers and employees of the agency meet each of two conditions, as follows:

- They provide information to the Governor or a legislator only at the request of the Governor or the legislator or as required by law, and
- They have requested no legislation or other legislative action other than an appropriation for the agency. [Rule 5.2\(6\)](#).

b. State Agencies that Contract with Legislative Lobbyists

A state agency that contracts with a legislative lobbyist, i.e., a private contractor, for its legislative lobbying services may or may not also have a legislative liaison.

If the contract legislative lobbyist performs all of the agency's lobbying activities, then the agency is not required to have a legislative liaison. However, if an officer or employee of the agency also engages in legislative lobbying, then that individual is a legislative liaison. An agency may have both a legislative liaison and a legislative lobbyist.

[Rule 5.2\(6\)](#).

Executive Lobbyists

Executive lobbyists are individuals who are employed or retained by a lobbyist principal for compensation to perform executive lobbying.

Some executive lobbyists may lobby for only one lobbyist principal. These lobbyists sometimes are called "in house lobbyists" when they are employees of the lobbyist principal.

Other executive lobbyists may lobby on behalf of numerous clients. These lobbyists often are called "contract lobbyists" because they typically are independent contractors who provide lobbying services under contract with different lobbyist principals.

Not all individuals who engage in lobbying activities on behalf of lobbyist principals are considered executive lobbyists. Individuals who are employed by or contract with a lobbyist principal but whose lobbying activities are only incidental to and not a significant part of the services provided by the individual to the lobbyist principal are not considered executive lobbyists. For example, the chief executive officer of a corporation that is a lobbyist principal may occasionally engage in lobbying activities, but those activities could be incidental to and not a significant part of the services he or she provides to the company.

Individuals who are not compensated for lobbying activities are not considered executive lobbyists.

Federal officials acting in their official capacity are not considered executive lobbyists.

Any person exercising his or her individual right to petition the government who receives nothing of value for lobbying is not considered an executive lobbyist. [Rule 5.2\(4\)](#).

Lobbyist Principals

Lobbyist principals are persons or entities, including state agencies and institutions, that employ or retain another person for compensation to conduct executive or legislative lobbying on behalf of the lobbyist principal.

Lobbyist principals may simultaneously employ or retain both legislative lobbyists and executive lobbyists.

The term “lobbyist principal” does not include individual members, partners, officers or shareholders of an agency, corporation, association, firm, joint venture, joint stock company, syndicate, business trust, estate, company, partnership, limited partnership, organization, committee or club, or a group of persons voluntarily acting in concert. For example, Jones is a member of a professional association that retains a legislative lobbyist to lobby for the association. So is the corporation that employs Jones. Neither Jones nor the corporation is a lobbyist principal; the association is a lobbyist principal. In other words, it is the organization itself—not an individual member of the organization---that is the lobbyist principal. [Rule 5.2\(9\)](#).

a. Agencies That May Be Lobbyist Principals

The generic term “agency” is all encompassing.

State offices, departments, institutions, boards, bureaus, commissions, agencies, authorities and instrumentalities of the State of Oklahoma all are considered to be an “agency.”

An agency is an entity in the executive branch of state government (1) created by the Constitution or statutes and supported in whole or in part by state funds or (2) entrusted with the expending of state funds or administering state property or (3) otherwise exercising the sovereign power of the State of Oklahoma.

There are two exceptions: (1) City, county, rural electric cooperative or tribal housing authorities created under the Oklahoma Housing Authorities Act and (2) any state entity that performs only advisory functions and that cannot independently exercise the sovereign power of the State of Oklahoma.

Unless the agency is excluded by meeting one of the two exceptions described above, it is a lobbyist principal that may have a legislative liaison or legislative lobbyist or both. [Rule 5.2\(1\) and \(9\)](#).

b. Lobbyist Principals May Be Vendors

Vendors, who may also be lobbyist principals, are subject to additional restrictions that are not the subject of this Guide. For assistance in complying with the applicable Ethics Rules one may find relevant Guides and materials on the Commission’s Internet website at www.ok.gov/ethics.

Disclosure Required

Any legislative liaison or legislative lobbyist is required, either orally or in writing, to identify the lobbyist principal or principals on whose behalf the lobbying activities are being conducted. Any legislator or legislative staff member who is being lobbied may request such information. [Rule 5.27](#).

VIII. Campaign Contributions by Lobbyists and Lobbyist Principals and the “Blackout Period”

Lobbyists may make campaign contributions to political party committees, political action committees and candidate committees. A lobbyist principal that otherwise is eligible to make

contributions also may do so. (Most lobbyist principals are incorporated and thus not eligible to contribute to political parties or candidates.)

However, no lobbyist or lobbyist principal may make or promise to make a campaign contribution to, or solicit or promise to solicit a contribution for a member of the Legislature or a candidate for state legislative office during any regular legislative session, beginning the first Monday in February, through its adjournment and for five calendar days following sine die adjournment. A member of the Legislature or a candidate for state legislative office may not intentionally solicit or accept a contribution from a lobbyist or lobbyist principal during the same time period. [21 O.S. § 187.2](#). This provision does not prevent a political action committee affiliated with a lobbyist principal corporation or labor union from making a contribution.

IX. Waiver for Preexisting Relationship

A legislator or legislative employee may apply to the Commission for a waiver of any of these Rules based on a preexisting relationship between the legislator or legislative employee and a legislative liaison or legislative lobbyist. The Commission has exclusive authority and discretion to grant a waiver on a case-by-case basis, based upon the totality of circumstances and a finding that the purpose of these Rules will not be impeded or hindered by the waiver.

Such a waiver will be prospective in effect and will not be applied to situations that have already occurred.

The Commission may request whatever information it deems appropriate from an applicant, which may include verified statements by the parties involved.

A waiver is unnecessary when the relationship is between two family members. Family members are regarded as having a preexisting relationship. The waiver form is available on the ethics commission website at www.ethics.ok.gov. [Rule 5.25](#).

X. Gifts and Meals from Lobbyists

Gifts by Liaisons, Lobbyists Prohibited Unless Specifically Permitted

Legislative liaisons and legislative lobbyists cannot provide a gift to the Governor, a legislator or any employee of the Governor or the Legislature unless the gift is specifically permitted by the Ethics Rules.

The prohibition applies to both the liaison and lobbyist making the gift and the state officer or employee who receives it. [Rule 5.6](#).

a. Gifts to State Officers or Employees Through Family Members Prohibited

A legislative liaison, legislative lobbyist or lobbyist principal may not indirectly provide something of value to a state officer or employee by providing a thing of value to a family member of the state officer or employee. "Family members" include the spouse, children (including stepchildren), mother, father, sister or brother. [Rules 5.2\(5\)](#) and [5.6](#).

b. Limit on Meals

A legislative liaison or a legislative lobbyist may pay up to \$500 per calendar year for meals for the Governor, for any individual legislator or for any individual employee of the Governor or the Legislature. This limit applies regardless of the source of funds used for payment. This limit applies to the lobbyist, not to the lobbyist principal. [Rule 5.7](#).

c. Gifts for Special Occasions

A legislative liaison or a legislative lobbyist may make a gift to the Governor or any legislator or any employee of the Governor or the Legislature in recognition of infrequently occurring occasions of personal significance.

The Rules do not define “infrequently occurring occasions of personal significance.” The Rules provide a list of “infrequently occurring occasions of personal significance,” which indicates the type of events that might qualify. However, the Rules provide that such gifts may be made to a family member of the Governor or any legislator or to any employee of the Governor or the Legislature, provided the family member is specifically “a party to a marriage, serious illness, birth or adoption of a child or retirement.” “Family members” include the spouse, children (including stepchildren), mother, father, sister or brother.

The limit for such gifts is \$200 for each individual recipient in any calendar year. Gifts to family members count against the limit for the state officer or employee. [Rules 5.2\(5\)](#) and [5.8](#).

d. Meals and Gifts Are Aggregated

The aggregate total of all meals provided to an individual by a legislative liaison or legislative lobbyist and any gifts given on “infrequently occurring occasions of personal significance” are added together and may not exceed \$500 during a calendar year. [Rule 5.8](#).

e. Modest Items of Food and Refreshments

A legislative liaison, legislative lobbyist or lobbyist principal may provide modest items of food and refreshments to any state officer or employee when offered other than as part of a meal. This provision includes items such as soft drinks, coffee, doughnuts and similar items provided other than as part of a meal. These items do not include alcoholic beverages, including low-point beer, or items such as hors d’oeuvres and similar fare. [Rule 5.12](#).

f. \$10 Gifts

A legislative liaison, legislative lobbyist or lobbyist principal may provide a gift of any single item with a fair market value not exceeding \$10 to any state officer or employee one time during any calendar year without incurring any reporting obligations, if that is the only such gift provided to the state officer or state employee. [Rule 5.13](#).

XI. Gifts and Meals from Lobbyist Principals for Legislative and Other Events

Gifts by Lobbyist Principals Prohibited Unless Specifically Permitted

A lobbyist principal employing or retaining a legislative liaison or legislative lobbyist may provide nothing of value to the Governor, a legislator or any employee of the Governor or the Legislature unless the gift is specifically permitted by the Ethics Rules.

The prohibition applies to both the liaison and the lobbyist principal making the gift and the state officer or employee who receives it. [Rule 5.6](#).

a. Events to Which All Members of the Legislature Are Invited

A lobbyist principal employing or retaining a legislative liaison or legislative lobbyist may provide food and beverage for any event to which all members of the Legislature are invited no more than once per calendar year, provided the event is reported as required by the Ethics Rules. More than one lobbyist principal may provide food and beverage for such an event, but one lobbyist principal may not participate in more than one such event during a calendar year. [Rule 5.14](#).

b. Caucus Events

A lobbyist principal employing or retaining a legislative liaison or legislative lobbyist may provide food and beverage for a meeting of a political caucus of either House of the Legislature no more than once per calendar year, provided the event is reported as required by the Ethics Rules. More than one such lobbyist principal may provide food and beverage for such an event, but no lobbyist principal may participate in more than one such event per calendar year for any caucus.

“Political caucus” means a caucus of legislators of a political party recognized under state law. So the only caucuses that currently qualify are the Senate Republican caucus, the Senate Democrat caucus, the House Republican caucus and the House Democrat caucus. Other “caucuses” organized by members of the Legislature do not qualify.

A lobbyist principal may participate in one event per calendar year for each of the four caucuses. [Rule 5.15](#).

c. Legislative Committee and Subcommittee Events

A lobbyist principal employing or retaining a legislative liaison or legislative lobbyist may provide food and beverage for any event to which all members of a committee or subcommittee of the Senate or House of Representatives are invited, provided the event is reported as required by the Ethics Rules.

The event must be held in the Capitol building, and it must be attended by a majority of the members of the committee or subcommittee.

To qualify, the committee or subcommittee must be identified in the Rules or Journal of the respective legislative body.

More than one lobbyist principal may provide food and beverage for such an event, but no lobbyist principal may participate in more than one such event per calendar year for any specific committee or subcommittee. [Rule 5.16](#).

d. Out of State Events

A lobbyist principal employing or retaining a legislative liaison or legislative lobbyist may provide food and beverage for any event at a professional conference, seminar or other similar meeting conducted outside the geographical boundaries of the State of Oklahoma, provided the event is reported as required by the Ethics Rules.

Only Oklahoma state officers and employees who are participating in the event may be invited. A minimum of five state officers and employees must participate.

More than one lobbyist principal may provide food and beverage for such an event, but no lobbyist principal may participate in more than one such event per calendar year. [Rule 5.17](#).

e. Tickets or Sponsorships for Community, Civic and Charitable Events

A lobbyist principal employing or retaining a legislative liaison or legislative lobbyist may purchase tickets for or otherwise provide sponsorship for a bona fide community, civic or charitable reception, breakfast, luncheon or dinner attended by state officers and employees who are guests of the sponsoring organization.

Such activities must be customary for the lobbyist principal, and the lobbyist principal may not designate state officers or employees to be guests. [Rule 5.18](#).

f. Plaques, Trophies or Similar Acknowledgement of Service

A lobbyist principal may give a plaque, trophy or similar item for display no more than once per year to a state officer or employee in acknowledgement of the officer or employee's public service. The item cannot exceed \$200 in value and must be reported in the Legislative Lobbyist Report. Rule 5.13.

XII. Other Gifts to Legislators

Recognition of Part-Time Legislature

The Rules acknowledge that Oklahoma has a part-time Legislature and that members of the Legislature often have other employment and/or sources of income.

Permitted Gifts While Representing the State in an Official Capacity

The Governor, Lieutenant Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives, or their designees, may accept transportation, lodging, meals and other things of value related to the purpose of an event when representing the State of Oklahoma in an official capacity, provided they receive no other personal benefits. This provision applies to events both inside and outside the geographical boundaries of the State. [Rule 4.20](#).

Other Permitted Gifts

There are no prohibitions against acceptance of certain gifts by state officers and employees under certain circumstances.

A state officer or employee may accept meals, lodging, transportation and other benefits resulting from the business or employment activities of the state officer or employee's spouse

when it is clear that such benefits are not being offered or enhanced as a result of the state officer or employee's status as a state officer or employee. [Rule 4.13](#). Similarly, a state officer or employee may accept meals, lodging, transportation and other benefits resulting from his or her private business or employment activities when such benefits have not been offered or enhanced as a result of the state officer or employee's status as a state officer or employee. [Rule 4.14](#).

Conferences or Seminar Admissions

Agencies may provide two tickets to any conference, seminar, lecture or similar event held within Oklahoma and sponsored by the agency to the Governor, any legislator or any employee of the Governor or Legislature. The tickets must be used by the recipient or a family member of the recipient. [Rule 5.6](#).

a. Permitted Gifts at Conferences, Seminars

Certain gifts are permitted when a state officer or employee is attending a conference, seminar or similar event in his or her capacity as a state officer or employee.

A state officer or employee attending a conference, seminar or similar event related to the performance of his or her official duties may accept gratuities and hospitality available to all participants in the event. [Rule 4.11](#).

When a state officer or employee is approved by the chief administrative officer of the employing agency to represent the agency at a professional, civic or community event, that state officer or employee may accept a meal at the event provided by the sponsoring organization. Political events are excluded, except for the case of employees of elected state officials, who may accept a meal at a political event that he or she attends with the elected state official, provided he or she is not on state time. [Rule 4.16](#).

Additionally, a state officer or employee at such event may accept a token, souvenir gift, or memento to commemorate the occasion, as long as the item's value corresponds or is proportionate to the event. Further, the item cannot be monetary nor a cash equivalent. This means that the state officer or employee cannot accept cash, a gift card or similar prepaid card used to purchase gifts or services. [Rule 4.16](#).

b. Permitted Gifts for Speakers, Panel Participants

When a state officer or employee is approved by the chief administrative officer of the employing agency to participate as a speaker or panel participant or otherwise to present information on behalf of the agency at a conference or other event, that employee may accept free attendance from the sponsor of the event on the day of his or her presentation. Approval by the chief administration officer is not required for elected officials to participate in such events. "Free attendance" may include meals, refreshments, entertainment, instruction and materials made available to other participants.

The sponsor of the event may also provide transportation and lodging to the state officer or employee if transportation and lodging are made available to others participating as speakers, panel participants or presenters.

The spouse of the state officer or employee may accept free attendance and participation in the event, including lodging but not including transportation. This provision does not permit a spouse to accept meals, refreshments, entertainment, transportation or lodging that are

collateral to the event or that are not paid for by the sponsor of the event if those gifts would otherwise not be permitted by the Ethics Rules.

No vendor or vendor's agent may pay for, or reimburse the sponsor of the event for, any gifts to the state officer or employee or the state officer or employee's spouse that are part of the free attendance and participation provided to the state officer or employee or spouse. [Rule 4.15](#).

Scholarships or Grants

Legislators and state officers and employees may accept a scholarship, similar grant or subsidy to participate in certain educational or training events. Such a scholarship may include the costs of transportation, lodging, meals, refreshments, entertainment, instruction and materials made available to all other participants.

When the scholarship is provided by a foreign government, the United States government or the government of another State or by an entity to which the State of Oklahoma pays membership dues, such as the National Conference of State Legislatures, then no report is required by the recipient. Membership dues may be paid either for the State agency or an individual state officer or employee.

When the scholarship is provided by a bona fide governmental, professional or business organization other than an organization described above, the legislator or staff member must file a report with the Commission within 30 days following the last day of the event. The report includes the date(s) and location of the event, the name of the sponsoring organization(s), the name and office of the participant, the subject matter of the event, the name of the person providing the scholarship, grant or subsidy and the value of the scholarship, grant or subsidy.

The form to report such a scholarship is available on the Commission website at this link [Scholarship Form](#) and should be emailed to the Commission at ethics@ethics.ok.gov.

Intra-Agency Gifts

The Ethics Rules limit gifts that may be made between state officers or employees in the same agency, including the Legislature and both of its Houses.

A state officer or employee may not, directly or indirectly, give a gift or make a donation toward a gift for the following:

- (1) An official superior in the agency's chain of command or
- (2) Solicit a contribution from another employee for a gift to either his or her own or the other employee's official superior, subject to certain exceptions.

A state officer or employee may make or receive such a gift:

- (1) If they have a personal relationship that would justify the gift.
- (2) Worth no more than \$20.00 on an occasional basis, including occasions such as Christmas or birthdays when gifts are traditionally given or exchanged.
- (3) When items such as food or refreshments are to be shared in the agency among several employees.

(4) Involving personal hospitality at a residence which is of a type and value customarily provided by the state officer or employee to personal friends, or when the gifts consist of items given in connection with the receipt of personal hospitality of a type and value customarily given on such occasions.

(5) Appropriate to the occasion in recognition of infrequently occurring occasions of personal significance such as marriage, illness, birth or adoption of a child, retirement, resignation or transfer.

[Rule 4.17.](#)

XIII. Other Meals

Meals Provided by Non-Lobbyists

A non-lobbyist employee of a lobbyist principal employing or retaining a legislative liaison or legislative lobbyist or executive lobbyist may provide a meal no more than twice a year to a legislator at the expense of the lobbyist principal if the qualifying conditions are met.

The employee may not be acting at the direction of a legislative liaison, a legislative lobbyist or an executive lobbyist. The employee may not engage in lobbying activity of any kind.

The employee must be either a constituent of the legislator or must be engaged in providing goods or services for the lobbyist principal within the legislator's district.

Finally, the employee must typically engage in similar activities with other public officials in the geographical area within which the goods or services are provided. [Rule 5.9.](#)

XIV. Relations with Vendors

Vendors and Vendor's Agents

A "vendor" is any seller or prospective seller of property or service to the State of Oklahoma. A "vendor's agent" is a representative of the vendor. [Rule 4.2\(7\) and \(8\).](#)

Several Rules regulate the relationship between state officers and employees and the vendors and vendor's agents who are doing business with or seeking to do business with their agencies. For more information, see the "Guide for State Officers and Employees," which may be found on the Commission website at www.ethics.ok.gov under the "Ethics Laws, Guides, and Forms" tab.

XV. Personal Financial Disclosure Statement ("PFD")

Purpose of the PFD

The purpose of the personal financial disclosure statement is to identify and disclose potential conflicts of interests between public duties and private economic interests. [Rule 3.13.](#)

a. No Amounts of Income or Assets Must Be Disclosed

Although there is a minimum threshold requirement for disclosing certain forms of income or financial holdings, no Rule requires the disclosure of the amount of a filer's income or the amount of a filer's financial holdings.

Individuals Required to File

All state officers who are elected or subject to retention to judicial office are required to file financial disclosure statements. [Rule 3.16](#).

When Statements are Filed

An initial financial disclosure statement must be filed within 30 days of assuming office for a full or partial term.

Otherwise, annual financial disclosure statements are filed between January 1 and May 15 of each year. No individual is required to file more than one financial disclosure statement for any calendar year. [Rule 3.15\(A\)-\(C\)](#).

How Financial Disclosure Statements Are Filed

All Financial Disclosure Statements are filed electronically in The Guardian System, unless otherwise ordered by the Commission or the Executive Director of the Commission. [Rule 3.10](#) and [3.15\(E\)](#).

a. The Guardian System Filing Resources

Additional information on filing Financial Disclosure Statements may be found on the Commission's Internet website at www.ethics.ok.gov under the "Financial Disclosure" tab. In addition, various YouTube videos and other documents are available in The Guardian System that provide step-by-step instructions on how to use the system. These videos and documents may be accessed in The Guardian System by clicking on the "Resources" tab and then "Publications" from the drop-down menu.

Information Required on Financial Disclosure Statements

The Information required is as follows:

- Name, mailing address, work place telephone number and electronic mail address of the filer;
- Name of state office held by the filer;
- Beginning date of term of office;
- Expiration date of term of office;
- Acknowledgment of the jurisdiction of the Commission, the Ethics Rules, and educational opportunities by the Commission;
- Acknowledgments of understanding of certain conflicts of interest Rules applicable to state officers; and

- Disclosure of all material financial interests.

[Rule 3.16\(B\)](#).

In addition, all filers must provide an email address that will be used by the filer to receive notifications regarding the electronic filing of financial disclosure statements. [Rule 3.15\(F\)](#).

Material Financial Interest

The term “Material financial interest” is defined in the Rules to include:

1. An ownership interest in a private business, including but not limited to, a closely held corporation, limited liability company, Subchapter S corporation or partnership for which the filer, the filer’s spouse or a dependent is a director, officer, owner, manager, employee, or agent or any private business, closely held corporation or limited liability company in which the filer, the filer’s spouse or a dependent owns or has owned stock, another form of equity interest, stock options, debt instruments, or has received dividends or income worth \$20,000 or more at any point during the preceding calendar year;
2. An ownership interest in 5% or more in a publicly traded corporation or other business entity by a filer, the filer’s spouse, or a dependent at any point during the preceding calendar year;
3. An ownership interest in a publicly traded corporation or other business entity from which dividends or income, not to include salary, of \$50,000 or more were derived during the preceding calendar year by the filer, the filer’s spouse, or a dependent;
4. An interest that arises as a result of the filer’s the filer’s spouse, or a dependent’s service as a director or officer of a publicly traded corporation or other business entity at any time during the preceding calendar year; or
5. Any sources of income derived from employment, other than compensation pertaining to the office for which the state officer is subject to election or retention, in the amount of \$20,000 or more by the filer, the filer’s spouse or a dependent not otherwise disclosed herein.

“Material financial interest” does not mean (1) an interest in a mutual fund or other community investment vehicle in which the filer or the filer’s spouse or a dependent exercises no control over the acquisition or sale of particular holdings, or (2) an interest in a pension plan, 401k, individual retirement account or other retirement investment vehicle that makes diversified investments over which the filer, the filer’s spouse or a dependent exercises no control over the acquisition of particular holdings. [Rule 3.16\(C\) and \(D\)](#).

Amending a Statement

A filer may amend his Financial Disclosure Statement at any time in The Guardian System for the purpose of correcting a bona fide oversight or error on the Statement previously filed. The filer must certify that the amendment is not made for the purpose of reporting information that was intentionally omitted or misstated on a prior filed statement. If the certification is true, the filer will not be deemed to have violated the Ethics Rules by having made an erroneous prior filing. [Rule 3.15\(D\)](#).