OKLAHOMA ETHICS COMMISSION

SETTLEMENT AGREEMENT
Case No. 2016-07

This Settlement Agreement ("Agreement") between the Oklahoma Ethics Commission ("Commission") and Kyle Loveless ("Respondent") is conditioned on approval by the Commission and will become effective upon such approval.

Commission and Respondent acknowledge the following:

1. That the Commission is authorized to initiate investigations of possible violations of the Ethics Rules and to resolve investigations through Settlement Agreements, pursuant to Article XXIX, Section 4(A) of the Oklahoma Constitution and Ethics Rule 6.18.

2. That on November 19, 2016, pursuant to Ethics Rule 6.7, the Commission determined there was reasonable cause to believe that a violation of the Ethics Rules may have occurred and authorized an investigation of Kyle Loveless, Loveless for State Senate 2016 and Loveless for State Senate 2012 (collectively, the "Respondents").

3. That on April 14, 2017, the Commission determined there was reasonable cause to believe that a violation of contribution and expenditure reporting and improper use of contributions had occurred and that such violations were willful.

4. That Respondent resigned as a member of the Oklahoma State Senate representing Senate District 45 on April 27, 2017.

5. That Ethics Rule 2.39 provides that contributions accepted by a candidate committee may not be "converted by any person to personal use."

6. That Respondent converted more than One Hundred Thousand Dollars ($100,000.00) to personal use from his 2016 and 2012 campaign committees in violation of Ethics Rules
2.39, 2.43, and Rule 257:10-1-14, using campaign funds for expenses unrelated to his campaign or position as a State Senator, including, but not limited to, purchases of flowers, clothing and accessories, toys, household repairs, automobile tires and repairs, sporting event tickets, theater tickets, and medical and dental expenses.

7. That Respondent failed to accurately report campaign contributions and expenditures as required by Ethics Rule 2.106 and Ethics Rules 257:10-1-7; 257:10-1-10, and 257:10-1-14, and failed to file campaign contribution and expenditure reports as required by Ethics Rules 2.100 and 2.101.


10. That Respondent used a depository account that was not registered in the name of the candidate committee, in violation of Ethics Rules 2.95 and 257:10-1-10.

11. That to settle this investigation and any and all other matters related to him and his campaign committees, Respondent agrees, within ten (10) days of the effective date of this Agreement, (1) to pay Ten Thousand Dollars ($10,000.00) to the Oklahoma Ethics Commission for attorney fees, costs and other expenses and fees incurred, (2) to pay Forty Thousand Dollars ($40,000.00) to the Oklahoma State Election Board to defray costs of the special election required to fill the vacancy his resignation created in Senate District 45, (3) he will not exert any authority over accounts, with financial institutions or otherwise, used for his candidate committees, other than to appoint an attorney-in-fact as
follows: (4) he will appoint Glenn Coffee as attorney-in-fact to take all steps necessary to 
file reports for, close accounts used for, sell assets of, and dissolve the Loveless for State 
Senate 2016 candidate committee, (5) to donate the balance in the Loveless for State 
Senate 2016 campaign committee account and the proceeds from the sale of any tangible 
assets purchased by Respondent’s campaign committees to the General Revenue Fund of 
the State of Oklahoma and close all accounts with financial institutions or otherwise for 
Respondent’s candidate committees, and (6) to dissolve the Loveless for State Senate 
2016 candidate committee in the Guardian System and show on the committee’s final 
report a zero balance.

12. As additional consideration for this Agreement, Respondent agrees (1) he will never seek 
or accept any position, elected or otherwise, where federal, state, county, municipal, or 
school district funds are used to pay the salary or compensation of said position, (2) he 
will never act as a consultant for compensation for any state, local, county, municipal, or 
school district campaign in the State of Oklahoma, and (3) he will never engage in 
lobbying activities in the State of Oklahoma or be associated with any lobbyist or 
lobbyist principal to further lobbying activities in the State of Oklahoma.

13. The Commission considers as additional consideration for the settlement of Respondent’s 
and his campaign committees’ violations of the Ethics Rules, Respondent’s payment of 
restitution to the General Revenue fund of the State of Oklahoma in the amount of 
$112,524.35, which represents campaign funds Respondent used for personal use; said 
payment to be made in conjunction with criminal proceedings in Oklahoma County.

14. That this Agreement shall become effective upon the date of its approval by the 
Commission and execution of the Agreement by all parties.
15. That this Agreement constitutes the entire agreement between the parties on the matters raised within, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained within this written agreement shall be enforceable.

16. That this settlement agreement is limited to the facts of this case and shall not have binding precedential effect for any other matter currently pending before the Commission or that may come before the Commission at a future date.

FOR THE COMMISSION:

Ashley Kemp  
Executive Director  
7/1/2017  

RESPONDENT:

Kyle Loveless  
Respondent  
7/1/2017  

Date