



OKLAHOMA ETHICS COMMISSION

SETTLEMENT AGREEMENT

Information No. 14-003

This Settlement Agreement (“Agreement”), between the Oklahoma Ethics Commission (“Commission”) and Representative Seneca Scott (“Respondent” or “Scott”), is conditioned on approval by the Commission and will become effective upon such approval.

Commission and Respondent both acknowledge the following:

1. That the Commission is authorized to initiate investigations of possible violations of the Oklahoma Ethics Rules and to resolve investigations through Settlement Agreements, pursuant to Article XXIX of the Oklahoman Constitution and 74 O.S., Ch. 62, Appendix (the “Ethics Rules”).
2. That since 2008, Respondent has maintained four different candidate committees¹ through which he raised and expended campaign funds to seek the office of State Representative for District 72.
3. That since 2009, Respondent has been a member of the Oklahoma Legislature representing District 72 of North Tulsa.
4. That Respondent has impermissibly used his campaign funds in the following manner:
 - a. To purchase plane tickets for his children to join him at a legislative conference;

¹ "Candidate committee" means the committee, consisting of one or more persons who may be the candidate only, designated by a candidate to promote the candidate's candidacy and serve as the recipient of all contributions and the disbursing of all expenditures for the candidate. Section 257:1-1-2 of the Ethics Rules.

- b. To pay for maintenance on his personal vehicle;
- c. To pay for dry cleaning;
- d. To purchase clothing items;

5. That Respondent inappropriately withdrew cash from his campaign account and used the funds for allegedly permissible purposes but failed to provide documentation substantiating his alleged use of funds:

- a. To purchase toys for children of incarcerated parents in his community; and
- b. To provide cash donations to churches in his community.

6. That Respondent purchased a cellular phone using campaign funds and paid his monthly cellular phone bill using campaign funds. This phone was Respondent's only cellular phone; as such, Respondent inappropriately used this cellular phone for personal use over the past three years. *See* EI-1998-001.

7. That Respondent impermissibly used campaign funds to pay for expenses for which he had already received per diem reimbursements from the State of Oklahoma for travel and lodging during legislative session.

8. That Respondent now recognizes Ethics Rule 257:10-1-20 explicitly prohibits the use of campaign funds for personal purposes.

9. That Respondent recognizes the Commission has further interpreted this provision adopting the "but for" test whereby an officeholder must consider whether an expense would have arisen "but for" the individual's service as a public officer. *See* EI-1998-001.

10. That Respondent further recognizes purchasing clothing, using a campaign cellular phone for personal purposes, paying for personal car maintenance, paying for dry cleaning

and purchasing plane tickets for family members would not pass the “but for” test and are not permissible or appropriate uses of campaign funds.

11. That Respondent recognizes the Commission has held that a legislator may use campaign funds to pay for housing deposits, monthly rent and other such expenses, *not otherwise reimbursed*. See EI-1996-010.

12. That Respondent further recognizes that using campaign funds to pay for travel and lodging expenses previously reimbursed by the State of Oklahoma is not a permissible or appropriate use of campaign funds.

13. That Respondent further recognizes that expending campaign funds without any supporting documentation explaining the purpose for which said funds were used is not a permissible or appropriate use of campaign funds.

14. That Respondent is voluntarily agreeing to certain measures, as set forth below, to avoid additional disputes, proceedings and expense.

15. That Respondent has cooperated voluntarily in the investigation, produced requested documents, submitted to a deposition without necessity of subpoena, and willingly met with the Commission’s investigators.

16. That Respondent has created centralized record-keeping and storage of all campaign finance documents at his treasurer’s office in Oklahoma City, Oklahoma.

17. That Respondent has committed to maintaining a detailed log of all contributions and expenditures from Respondent’s campaign accounts, listing each expenditure, who was involved, what was discussed, and its relation to the campaign account or Respondent’s public officeholder duties.

THEREFORE, the parties agree as follows:

1. Respondent shall pay a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for each year over the past three (3) years that Respondent impermissibly used his campaign funds. Therefore, a total of Three Thousand Dollars (\$3,000.00) shall be paid to the State of Oklahoma general revenue fund by providing a certified check to the State Treasurer.
2. Respondent shall also pay restitution to his candidate committee and to the State of Oklahoma for the improper expenditures of campaign funds in the amount of Eight Thousand Two Hundred Seventy-Three Dollars and Sixty-Four cents (\$8,273.64).
3. Within thirty (30) days of the effective date of this agreement, Respondent shall pay an initial One Thousand Dollars (\$1,000.00) to the State of Oklahoma general revenue fund, receipt of which shall be provided to the Commission.
4. Beginning November 1, 2014, Respondent shall make a payment in the amount of Three Hundred Fifty Dollars (\$350.00) to the State of Oklahoma general revenue fund by providing a certified check to the State Treasurer, receipt of which shall be provided to the Commission for each monthly payment.
5. Respondent shall continue to pay this amount by the first day of each month, for the next twenty-two (22) months or by September 1, 2016, until seventy percent (70%) of Respondent's restitution as well as the entire civil penalty is paid to the Oklahoma State Treasurer.
6. Beginning October 1, 2016, the remaining thirty percent (30%) of Respondent's

restitution shall be paid to his candidate committee, "Friends of Seneca Scott 2014" or "Friends of Seneca Scott 2016", by the first day of each month along with proof of such payment delivered to the Commission, until the remaining Two Thousand Five Hundred Seventy-Three Dollars and Sixty-Four Cents (\$2,573.64) is paid in full.

7. Should Respondent fail to pay the fine or restitution as provided herein, the Commission may enforce this Agreement in the District Court of Oklahoma County, Oklahoma, and Respondent shall pay Commission's attorney fees, costs and applicable interest.

8. Pursuant to Section 257:30-1-6(b) of the Ethics Rules, once effective, this Agreement will become a public record and shall be provided to members of the public upon request.

9. This Agreement constitutes the entire agreement between Commission and Respondent with respect to Information 14-003, 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 in this written agreement shall be enforceable.

FOR RESPONDENT:



Seneca Scott, State Representative

8-6-14

Date

FOR COMMISSION:



Lee Slater, Executive Director

8-18-17

Date

APPROVED BY THE COMMISSION THIS 15 DAY OF August, 2014.