



OKLAHOMA ETHICS COMMISSION

PHONE: (405) 521-3451 • FAX: (405) 521-4905 • WEBSITE: WWW.ETHICS.OK.GOV

In the matter of:)	
)	Ethics Commission
Oklahoma Rural Water Association PAC,)	Case No. 2022-03
an Oklahoma limited committee.)	

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is between the Oklahoma Ethics Commission (“Commission”) and Oklahoma Rural Water Association PAC (“Respondent”) each, individually a “Party” and collectively the “Parties”.

NOW, THEREFORE, the Parties agree as follows:

- 1) The Commission has jurisdiction over the Respondent and the subject matter of this agreement.
- 2) Respondent voluntarily enters into this agreement with the Commission.
- 3) Respondent is a political action committee (“PAC”) affiliated with the Oklahoma Rural Water Association and registered with the Commission as a limited committee.
- 4) This matter was initiated pursuant to contact from legal counsel for the Respondent. Legal counsel for the PAC advised she was working with the PAC and had discovered issues with some of the contributions to the PAC, and further advised the PAC wanted to self-report and voluntarily come into compliance with the Ethics Rules. Legal counsel sent voluntarily bank records for the PAC dating back to 2017 for review by the Commission.
- 5) This Agreement addresses the following:
 - a) Approximately \$3,200 of impermissible contributions and transfers between the affiliates account and the PAC’s account, in violation of Ethics Rule 2.95 requiring all contributions to be deposited in the PAC’s depository account and of Ethics Rule 2.23, which prohibits corporate contributions.
 - b) Approximately \$3,570 of cash contributions were received by the PAC without attribution to a specific contributor in violation of Rule 2.19, which limits cash contributions to \$50.00 or less.
 - c) Corporate donations of items for PAC fundraisers, in violation of Ethics Rule 2.23 which prohibits corporate contributions and Ethics Rule 2.105 which requires reporting of in-kind contributions.
 - d) Failure to maintain full and complete records of the committees’ operations, including records of funds received, accepted and expended for at least four (4) years, as required by Ethics Rules 2.83 and 2.76.

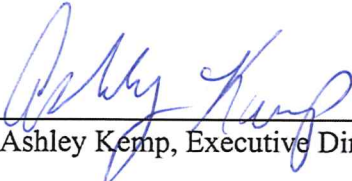
- e) The PAC's statement of organization did not reflect the name of the affiliated corporation until 2022, in violation of Rule 2.86 requiring limited committees affiliated with a corporation to include identifying information regarding the affiliated corporation.
- 6) In consideration of these factors, Respondent agrees to:
- a) Within thirty (30) days of the Commission's approval of this Agreement Respondent shall pay a total of Thirteen Thousand Dollars (\$13,000.00) which will be apportioned as follows:
 - i) Respondent shall pay as a civil penalty, by certified check to the State of Oklahoma general revenue fund, an amount of Twelve Thousand Dollars (\$12,000.00), and provide proof of such payment to the Commission, and
 - ii) Respondent shall pay attorney fees and costs to the Commission in the amount of One Thousand Dollars (\$1,000.00).
 - b. Within sixty (60) days of the Commission's approval of this Agreement, Respondent agrees to amend and/or file new documents in The Guardian System to correct or report transactions of Respondent consistent with the Ethics Rules including:
 - i. contributions received by Respondent; and
 - ii. any other inaccurate information identified by the Parties.
 - c. Within sixty (60) days of the Commission's approval of this Agreement, Respondent agrees to dissolve the limited committee by doing the following:
 - i. Disposal of any assets of Respondent;
 - ii. Disposal of funds that are not otherwise obligated as of the date of this Agreement by paying such funds to the General Revenue Fund of Oklahoma; and
 - iii. Filing a final report in the Guardian System.
 - d. The Oklahoma Rural Water Association agrees not to form a new affiliated PAC for at least six (6) months after the Effective Date of this Agreement;
 - e. This Agreement shall become effective on the date the Commission approves this Agreement at an official meeting and all Parties have executed this Agreement ("Effective Date").
 - f. This Agreement is taking into account that Respondent voluntarily, without Commission intervention, self-reported violations to the Commission.
 - g. This Agreement constitutes the entire agreement between the Parties on the matters raised in this Agreement and any issued notice(s) of allegations in Case No. 2022-03 as of the Effective Date of this Agreement. 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.

- h. This Agreement is limited to Case No. 2022-03, which may include facts and provisions not contained in this Agreement 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.


Approved and effective this 15th day of December, 2023.

FOR THE COMMISSION:



Ashley Kemp, Executive Director 12/15/2023
Date

FOR THE RESPONDENT:



Jimmy Seago, Treasurer 12/15/2023
Date
Oklahoma Rural Water Association PAC,
an Oklahoma Limited Committee