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## SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is between the Oklahoma Ethics Commission ("Commission") and Shelley Zumwalt ("Respondent"), both individually referred to as 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 and has sought independent legal counsel of her choice.
- 3) Respondent is a former State of Oklahoma employee and former Director of the Oklahoma Employment Security Commission, with her last position with the State being Director of the Oklahoma Tourism and Recreation Department.
- 4) At its meeting on May 10, 2024, the Ethics Commission determined there was reasonable cause to believe that a violation of one or more provisions under the Conflicts of Interest - Ethics Rule 4 may have occurred and authorized an investigation in this matter.
- 5) This Agreement addresses all claims made by the Commission against Respondent in the Notice of Allegations, Case No. 2024-11, dated October 10, 2024, and any revisions and/or amendments to said Notice.
- 6) The Parties acknowledge that Ethics Rule 4 - Conflicts of Interest, applies to Oklahoma state employees and officers and is related to the issues reviewed by Commission staff in this case. The Parties further acknowledge that:
  - a. Respondent violated Rule 4 when she engaged in discussions, negotiations, execution, and any other matter related to any contract between the Oklahoma Employment Security Commission and the company for which her spouse was employed as a vice-president;
  - b. A reasonable person would question Respondent's impartiality when Respondent engaged in discussions, negotiations, and execution of contract(s) between the Oklahoma Employment Security Commission and a company for which her spouse was a vice-president; and
  - c. Respondent admits that she should have recused from any involvement in any contract discussions, negotiation, execution or any other matter between the State of Oklahoma and the company for which her spouse was a vice president. Respondent does not admit to any intentional violation of Ethics Rule 4.

7) The Parties mutually desire to resolve and settle this matter. To settle the allegations set forth by the Commission in the notice(s) of allegations and related discussions regarding Case No. 2024-11 issued as of the date of this agreement, the Parties agree as follows:

- a. Within thirty (30) days of the Commission's approval of this Agreement, Respondent shall
  - i. pay a total of Twenty Thousand Dollars (\$20,000.00) as a civil penalty, by certified check to the State of Oklahoma general revenue fund for violating the Ethics Rule 4, Conflict of Interest; and
  - ii. Provide proof of said payment to the Commission.

8) Respondent further agrees that for a period of two (2) years following the effective date of this Agreement, she shall not:

- a. hold any public office in the State of Oklahoma;
- b. seek or accept any position, elected or otherwise, where state funds are used to pay the salary or compensation of her position;
- c. act as a consultant for compensation for any state agency, department, commission, or board; and
- d. engage in any lobbying activities for compensation in the State of Oklahoma.

9) As additional consideration, upon successful completion of the terms of this Agreement, the Office of the Oklahoma Attorney General ("AG") agrees it will not institute criminal proceedings against Respondent arising from the subject matter of Ethics Commission Case No. 2024-11.

10) 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").

11) This Agreement constitutes the entire agreement between the Parties on the matters raised in this Agreement and any issued notice(s) of allegations in Commission Case No. 2024-11 as of the Effective Date of this Agreement. No other statement, promise or agreement, either written or oral, made by any Party or by agents of any Party, that is not contained within this written agreement, shall be enforceable.

12) Upon completion of the terms of this Agreement, Respondent in Ethics Commission Case No. 2024-11 will be fully and finally released from liability under the Ethics Rules for the matters identified in the Notice of Allegations and this Agreement.

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

**SIGNATURE PAGE TO FOLLOW**

**FOR THE COMMISSION:**

LeeAnne Bruce Boone

Lee Anne Bruce Boone, Executive Director

July 11, 2025

Date

**FOR THE ATTORNEY GENERAL:**

Title: Senior Deputy AG

Name Printed: Jimmy R. Harmon

7-11-25  
Date

**RESPONDENT:**

Shelley Zumwalt

07/10/25

Date

**ATTORNEY FOR RESPONDENT:**

Barrett Powers OBA No. 32485

7/10/25  
Date