



# OKLAHOMA ETHICS COMMISSION

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

In the matter of: )  
)  
Oklahoma House PAC, ) Ethics Commission  
an Oklahoma limited committee. ) Case No. 2020-01

## SETTLEMENT AGREEMENT

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

### **NOW, THEREFORE, the Parties agree as follows:**

- 1) The Commission has jurisdiction over the Respondent and the Additional Committees, defined below, and the subject matter of this Agreement.
- 2) Respondent voluntarily enters into this Agreement with the Commission, along with three other PACs that have operated together, namely Noble PAC, Empower PAC, and Oklahoma Oak PAC (referred to herein as the “Additional Committees”).
- 3) Respondent and the Additional Committees are political action committees (“PAC” or “PACs”) registered with the Commission as limited committees.
- 4) This Agreement addresses the following:
  - a) Use of PAC funds to fulfill commitments, obligations or expenses of the Democratic Caucus for the Oklahoma House of Representatives (“Caucus”), Caucus members, Caucus staff and/or other political action committees.
  - b) Failure to include the appropriate disclaimer language on solicitations for contributions to the PAC.
  - c) Inaccuracies in the PAC’s statement of organization filed with the Oklahoma Ethics Commission, including listing the PAC as an affiliated committee of a political caucus, which was timely corrected when brought to the PAC’s attention.
  - d) Acceptance of a prohibited contribution in the amount of \$500 from a corporate entity, which was timely refunded when brought to the PAC’s attention.
  - e) Improper reporting of PAC contributions to candidate committees as in-kind expenditures.
- 5) This Agreement shall become effective (“Effective Date”) as of the date that: (a) all Parties have executed this Agreement, and (b) the Commission has approved this Agreement at an official meeting.

- 6) Respondent acknowledges the following Ethics Rules applicable to limited committees and operations:
- a) A "limited committee" is a political action committee organized to make contributions to candidates, and it is limited in the amount of contributions it can accept from a contributor and the sources from which it can accept contributions. Ethics Rules 2.2(13) and 2.79.
  - b) Limited committees are required to file a Statement of Organization with information on the operation of the committee, including identification of the type of committee, purpose of the committee, officers of the committee, and depository(ies) of the committee. Limited committees are required to report true and accurate information and to keep the information current through the filing of amendments to the Statement of Organization. Rules 2.84 and 2.85.
  - c) Affiliated limited committees are committees that are affiliated with a corporation or labor union, not a political caucus. Rule 2.86. Affiliated limited committees are only permitted to solicit funds from certain individuals within, working for, or associated with the corporation or labor union, or their families, referred to as the "solicitable class." Rules 2.87, 2.88 and 2.89.
  - d) Limited committees may only accept contributions within the allowable limits. Rule 2.33.
  - e) Limited committees are prohibited from accepting contributions from corporations and labor unions. Rules 2.23 and 2.33.
  - f) Contributions to limited committees may be used to make expenditures for contributions to candidate committees, independent expenditures or electioneering communications, operating expenses of the limited committee, and other purposes not otherwise prohibited by law or these rule that furthers the purpose of the committee as provided in either the limited committees bylaws or statement of organization pursuant to Rules 2.41 and 2.79.
  - g) Limited committees are prohibited from using contributions to fulfill commitments, obligations or expenses of any person or groups or organizations—including but not limited to political caucuses, political caucus members and staff, and other PACs—that would exist irrespective of the limited committee's activity. Rules 2.39 and 2.41.
  - h) Limited committees are required to keep records related to the committee's organizational documents, if any, and all financial records for at least four (4) years. Rule 2.83.
  - i) No candidate, as defined by the Ethics Rule 2.2(2), may serve as an officer of a political action committee. Rule 2.81.
  - j) Limited committees are required to deposit contributions within ten (10) business days after it has been received by the limited committee. Failure to do so requires a return of the contribution to the contributor and certain reporting obligations. Rule 2.22.
  - k) Contributions to limited committees must be voluntary. Rule 2.91.

- 7) To settle the allegations related to Case No. 2020-01; Case No. 2023-18; Case No. 2023-19; Case No. 2023-20; Case No. 2023-21; and Case No. 2023-22:
  - a) Within thirty (30) days of the Commission's approval of this Agreement, Respondent and the Additional Committees shall pay as a combined civil penalty, by certified checks to the State of Oklahoma general revenue fund, an amount no less than Eleven Thousand Eight Hundred Dollars (\$11,800.00) and shall provide proof of such payment to the Commission.
  - b) The civil penalty shall be paid from the following sources:
    - i) The balance of the remaining funds of Respondent, approximately \$900.00;
    - ii) The balance of the remaining funds of Noble PAC, approximately \$1,100.00;
    - iii) The balance of the remaining funds of Empower PAC, approximately \$4,800.00;
    - iv) The balance of the remaining funds of Oklahoma Oak PAC, if any; and
    - v) A total of \$5,000 paid by an officer(s) of the Respondent and/or the Additional Committees.
  - c) Within sixty (60) days of the Commission's approval of this Agreement, Respondent and the Additional Committees agree to amend and/or file new documents in The Guardian System to correct or report transactions consistent with the Ethics Rules, including:
    - i) Contributions to candidate committees incorrectly reported as in-kind expenditures; and
    - ii) Any other inaccurate information identified by the Parties.
  - d) Within sixty (60) days of the Commission's approval of this Agreement, Respondent and the Additional Committees agree to dissolve by doing the following:
    - i) Disposal of any remaining assets;
    - ii) Disposal of funds not otherwise obligated as of the Effective Date by paying such funds to the General Revenue Fund of Oklahoma; and
    - iii) Filing a final report in the Guardian System.
- 8) This Agreement constitutes the entire agreement between the Parties on the matters raised within and 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.
- 9) This Agreement fully satisfies the interests of the Commission in this matter and releases the current and past officers, agents, employees or contributors from liability for the actions alleged in the notices of allegations as of the Effective Date of this Agreement related to Case

No. 2020-01; Case No. 2023-18; Case No. 2023-19; Case No. 2023-20; Case No. 2023-21;  
and Case No. 2023-22.

10) This 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.

Approved and effective this 9<sup>th</sup> day of February, 2024.

**FOR THE COMMISSION:**

Lee Anne Bruce Boone 2/9/2024  
Lee Anne Bruce Boone, Executive Director Date

**FOR THE RESPONDENT AND THE ADDITIONAL COMMITTEES:**

Cathy Welch 2/5/2024  
Cathy Welch, Treasurer Date  
on behalf of

Oklahoma House PAC,  
an Oklahoma Limited Committee;

Noble PAC,  
an Oklahoma Limited Committee;

Empower PAC,  
an Oklahoma Limited Committee; and

Oklahoma Oak PAC,  
An Oklahoma Limited Committee.