

A large white circle is centered on a green background. A dashed gray line arcs from the top left towards the center of the white circle. A solid yellow circle is positioned at the bottom right edge of the white circle.

Director & Employee Ethics

Understanding legal and ethical rules of
being a State Officer or Employee

Oklahoma Ethics Commission

- a state agency created by a vote of the people of Oklahoma in 1990 by adding Article 29 to the Oklahoma Constitution
- The Constitution requires the Commission to create rules of ethical conduct for:
 - campaigns for state office,
 - campaigns for initiative and referenda,
 - state officers and employees

The Ethics Rules regarding conflicts of interest are designed to ensure state officers and employees avoid conflicts between their **public duties** and **private economic interests**



TO NOTE -

State officers and employees of a State Entity (agency or political subdivision) with more restrictive rules or policies must comply with the more restrictive rules or policies

Ethics Rules are **LAW**:

Published in
Title 74 Oklahoma
Statutes Chapter 62,
Appendix I



This review is only of the rules governed by the Ethics Commission.

There are more restrictions to State Officer/Employee behavior and actions within the Oklahoma statutes that will not be covered in this training.



We live in a world where there are multiple definitions of State Agencies, and multiple definitions of Political Subdivisions. Conservation Districts are even more confusing. However, in this particular case...

Conservation Districts are considered “state agencies” under the ethics rules.

“State Agency” =

1. created by the Constitution or statutes and supported in whole or in part by state funds;
2. entrusted with the expending of state funds or administering state property; or
3. otherwise exercising the sovereign power of the State of Oklahoma.

General Summary of Enforcement Process



1. Complaint submitted, Ethics Commission begins preliminary investigation
2. Commission decides to either dismiss complaint or proceed with formal investigation
3. The Commission will provide notice of the allegations and provide 20 days to file a written response with the Ethics Commission
4. The accused and their attorney may request to appear before the Commission in an adjudicatory **hearing** to make an oral response to the complaint

****Complaint and formal investigation shall be confidential *unless* the Ethics Commission determines it should be made public or is in the public interest**

General Summary of Enforcement Process

At any time, the Ethics Commission can -

1. Terminate the investigation
2. Authorize the Executive Director to prosecute the alleged violation through a **civil action in District Court**
3. Offer a settlement agreement.
4. Refer to Appropriate Civil or **Criminal Law Enforcement Authorities.**



General Summary of Enforcement Process

- **Monetary Penalties May be Assessed for Violations of the Rules**
- If the District Court concludes that there is a violation of an Ethics Rule or Rules, it may assess monetary penalties for the violation(s). The monetary penalties that the District Court may assess for Ethics violation(s) are as follows:
 - • **\$5,000 - \$25,000** for **one violation** of the Ethics Rules;
 - • **\$10,000 - \$50,000** for **multiple** Ethics Rule violations; and
 - • **\$25,000 - \$100,000** for a **subsequent violation** of any Rule. Rule 6.13.
- It is important to note that the monetary penalties increase in severity for persons who violate the Ethics Rules more than one time.
- **Plus more, if the court decides**

Rule 4:
**Misuse of Office
and Authority**

Prohibits use of position for:

- Private personal gain
- Private gain of a family member
- Private gain for people who you are affiliated with for another job or non-profit board/membership
- Private gain of person with whom you are seeking employment or business relations
- Endorsement of a product, service, or business

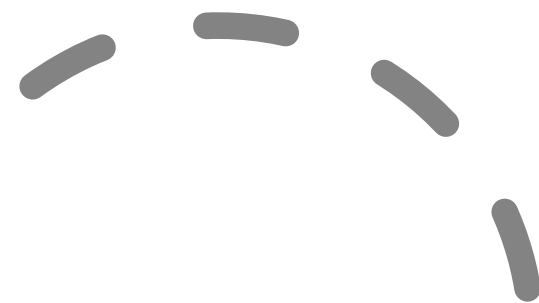
Rule 4:
**Misuse of Office
and Authority**



Definition of “Family Member”

- Prohibits use of office/position for private gain of a family member
- Family member means:
 - Spouse
 - Children and stepchildren
 - Mother
 - Father
 - Sibling

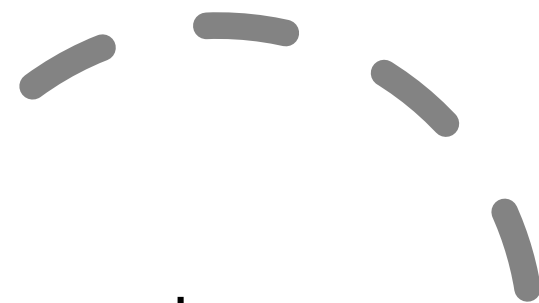
Rule 4:
Misuse of Office
and **Authority**



Examples:

- Private personal gain
 - ✗ District Board buys equipment from one of the Board members (District funds going directly to District officer)
 - ✗ Conservation District employee advertises conservation practice installation services and uses her position as a District employee in the advertisement. District employee personally accepts payment for services.

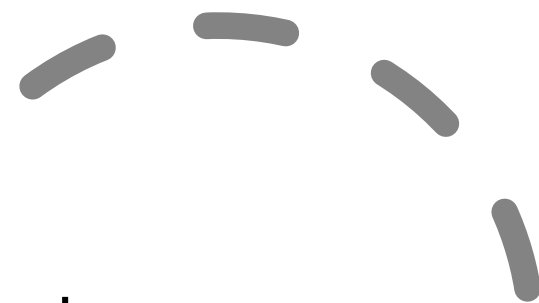
Rule 4:
Misuse of Office
and **Authority**



Examples:

- Private gain of a family member
 - ✗ District Board chair donates district funds to local nonprofit led by step-son
 - ✗ District employee discusses and convinces District board to award cost share contract to District employee's mother, *who would not be eligible for cost share payments otherwise*

Rule 4:
**Misuse of Office
and Authority**



Examples:

- Private gain for people who you are affiliated with for another job or non-profit board/membership
 - ✗ Watershed aide serves on board of local nonprofit supporting kidney research. Watershed aide convinces district board to rank another nonprofit board member higher for the cost share program.
 - ✗ District employee has a second job at Walmart. She advertises her Walmart coworker's personal art on conservation district social media pages.

Rule 4:
Misuse of Office
and **Authority**

Exceptions

- ✓ Acts or endorsements customary for state officer or employee's position or that are specifically authorized
 - ✓ Ex. – Advertising or assistance for partner organizations such as Noble Research Institute, OACD, OLAC, Johnston Seed Co., etc.
- ✓ Can you think of other partner organizations that Conservation Districts endorse? Drop them in the chat!

Rule 4:
**Misuse of Office
and Authority**



Exceptions

- ✓ Promotions for civic, community, or charitable organizations (501(c)(3)) that you aren't personally benefitted by
- ✓ so long as the employee/officer does not accept payment, gifts, or other benefit *in exchange for promoting the organization*
 - ✓ Ex. – District director attends ribbon cutting for new local business that rents out farm equipment and doesn't receive any gifts or payment for doing so.

Rule 4:
**Misuse of Office
and Authority**

Exceptions

- ✓ Attending charitable event and receiving free things funded by Charity
 - ✓ Ex. – District director attends fund-raising event with non-profit organization. District director may accept food and refreshments, giveaways, and free entry to event from organization, *so long as organization is not reimbursed by someone else for those costs.*
 - ✗ Ex. – Ducks Unlimited hosts a charitable hunting competition. Johnston Seed Co. reimburses Ducks Unlimited for food, giveaways, and entry fees provided to Conservation District employees.

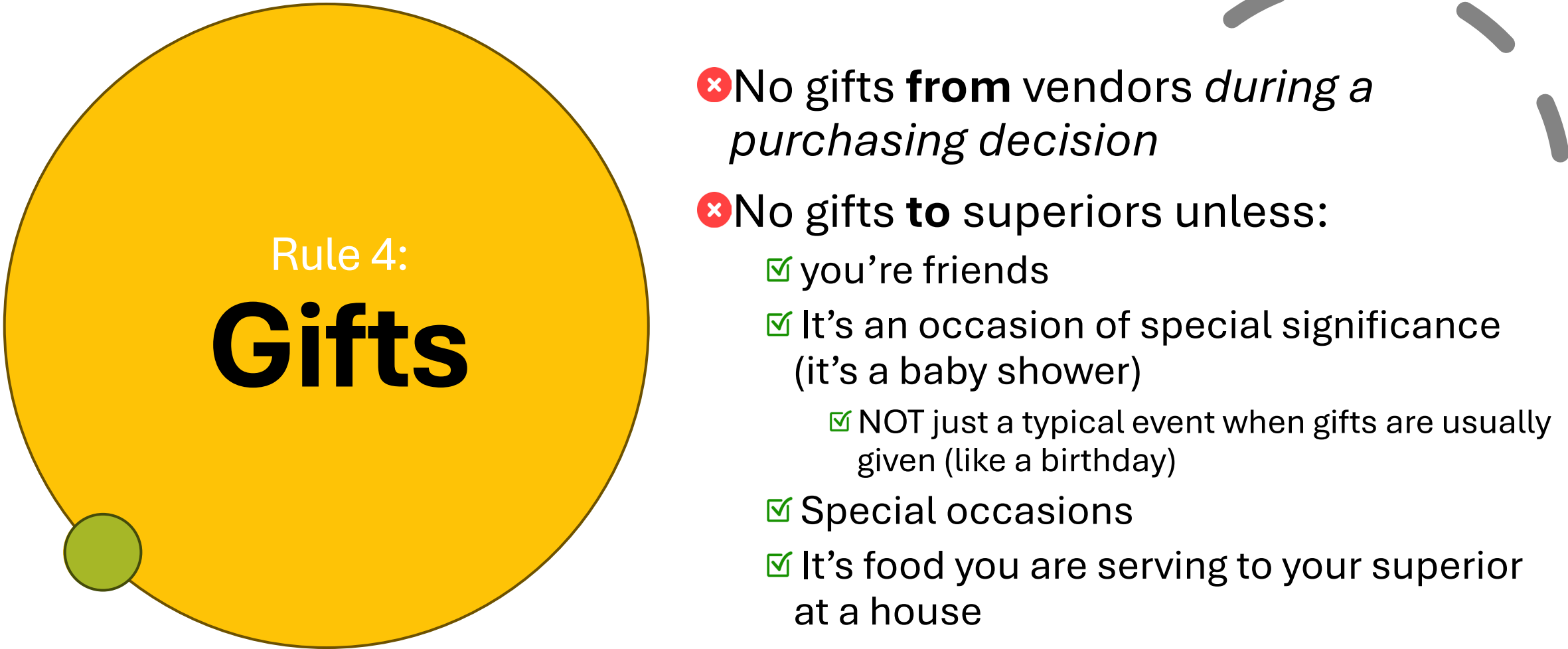


Rule 4:

Conflicts of Interest

Duty to be impartial

- State officer or employee must disqualify or abstain when:
 - Transaction involves financial benefit to you or a family member
 - Financial benefit to a business partner
 - When reasonable person would question impartiality
- Disqualification =
 - ✗ Discussion
 - ✗ Verbal cues
 - ✗ Asking questions
 - ✓ Should physically leave the room when matter discussed



Rule 4:

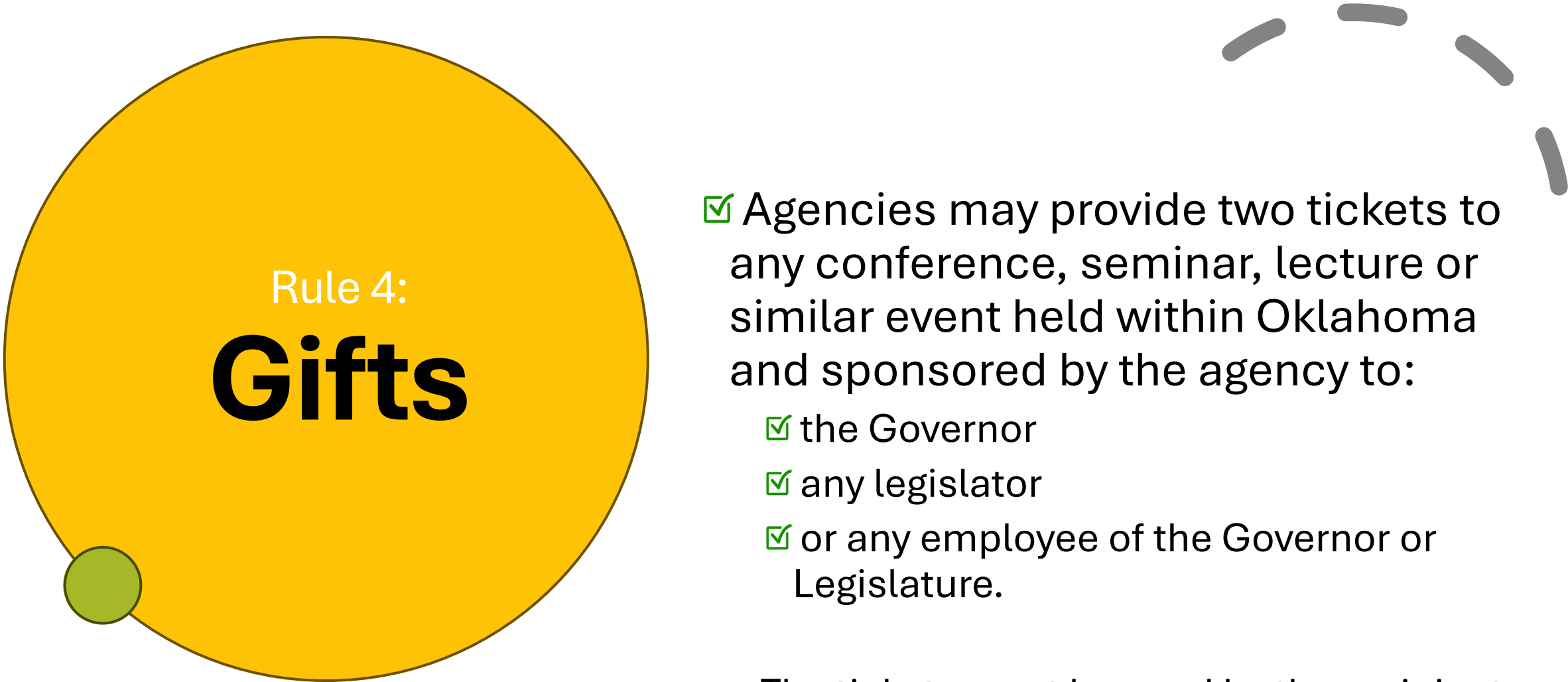
Gifts

- ✗ No gifts **from** vendors *during a purchasing decision*
- ✗ No gifts **to** superiors unless:
 - ✓ you're friends
 - ✓ It's an occasion of special significance (it's a baby shower)
 - ✓ NOT just a typical event when gifts are usually given (like a birthday)
 - ✓ Special occasions
 - ✓ It's food you are serving to your superior at a house



Rule 4: **Gifts**

- ✓ General rule: if it's not a special gift *because* you're a state officer, then it's fine!
- ✓ Modest conference gifts
- ✓ Meals, lodging, transportation paid for by someone else (that everyone is receiving, not just state officers)
- ✓ Civic/charitable events when the gift is small and something to "commemorate the occasion"
- ✓ Speaker gifts accepted on the day of the presentation
- ✓ Personal scholarships or grants are allowed, but typically have to fill out a scholarship report with Ethics Commission
- ✗ No cash or gift cards!



Rule 4: **Gifts**

- ✓ Agencies may provide two tickets to any conference, seminar, lecture or similar event held within Oklahoma and sponsored by the agency to:
 - ✓ the Governor
 - ✓ any legislator
 - ✓ or any employee of the Governor or Legislature.

The tickets must be used by the recipient and a family member of the recipient

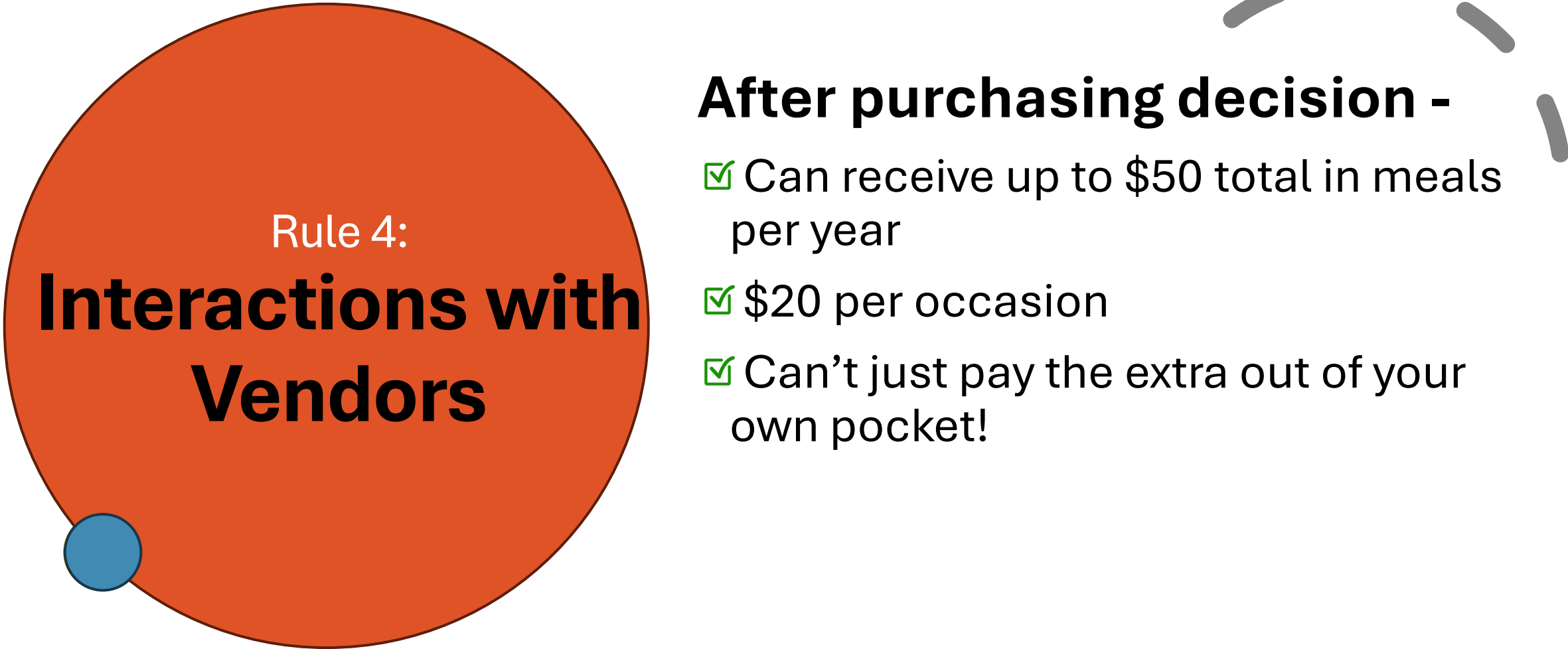


Rule 4:

Interactions with Vendors

No gifts during purchasing decision

- ✓ Starts: prep of RFP
- ✓ Ends: approval of requisitions for purchase.



Rule 4:

Interactions with Vendors

After purchasing decision -

- ✓ Can receive up to \$50 total in meals per year
- ✓ \$20 per occasion
- ✓ Can't just pay the extra out of your own pocket!

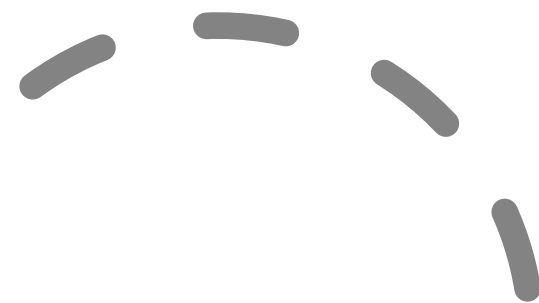


Rule 5

Lobbying and Political Activities

What is Lobbying?

- oral or written communications
- on behalf of the entity you represent
- about passage, defeat, formulation, modification, interpretation, amendment, adoption, approval or veto
- of any legislation, rule, regulation, executive order or any other program, policy or position of state government.
- **If you get paid to do it, you need to register as a lobbyist. Rule 5.2(3) and (7).**



Rule 5

Lobbying and Political Activities



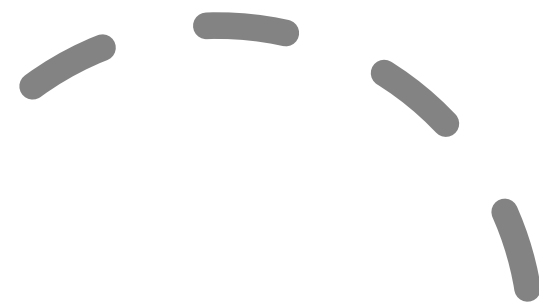
What is “Education”?

- oral or written communications
- on behalf of the entity you represent
- About the entity you represent
- Without any discussion about any changes, requests, or anything beyond pure information about your agency/district.

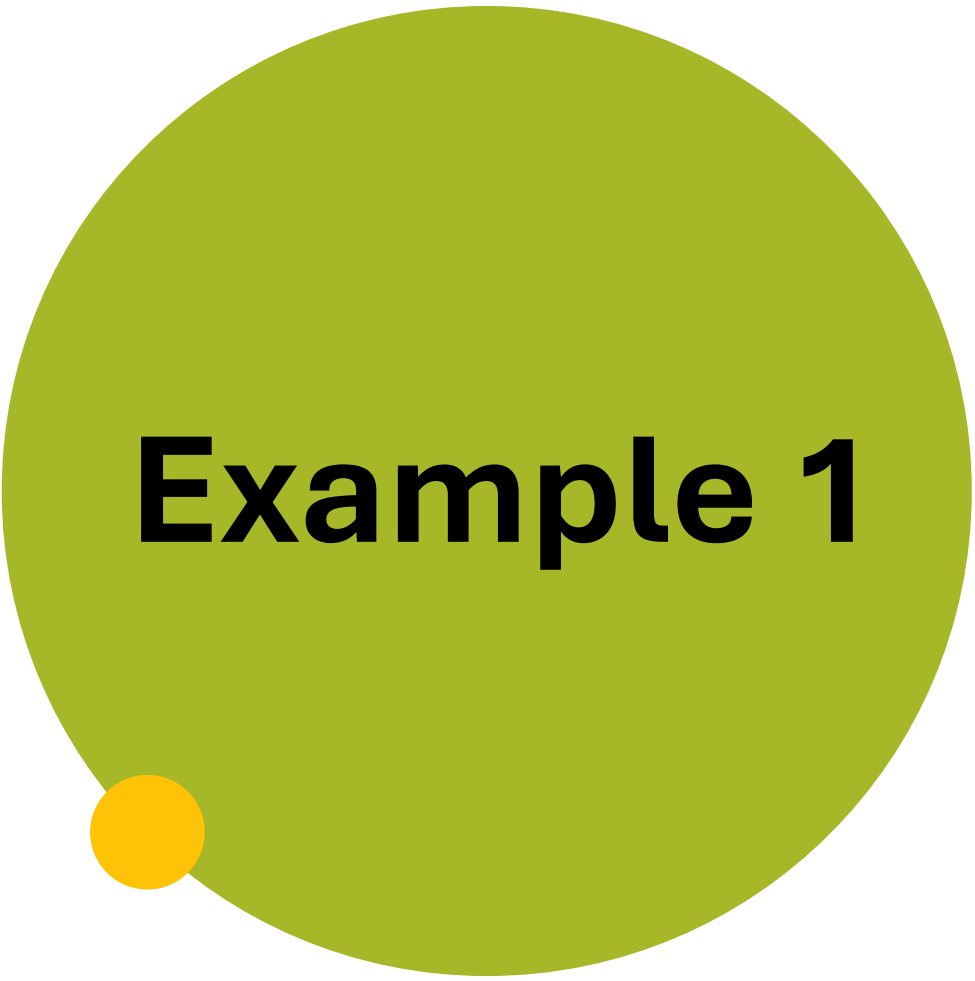


Rule 5

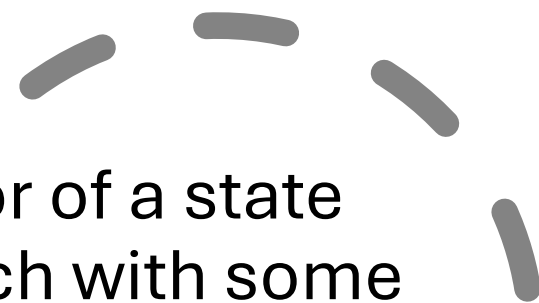
Lobbying and Political Activities



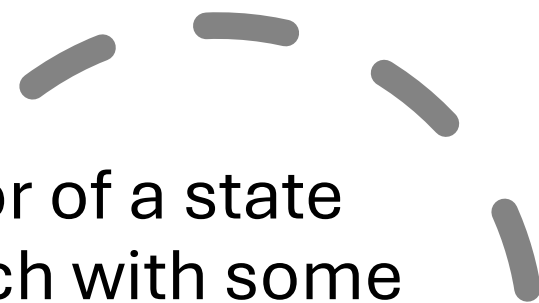
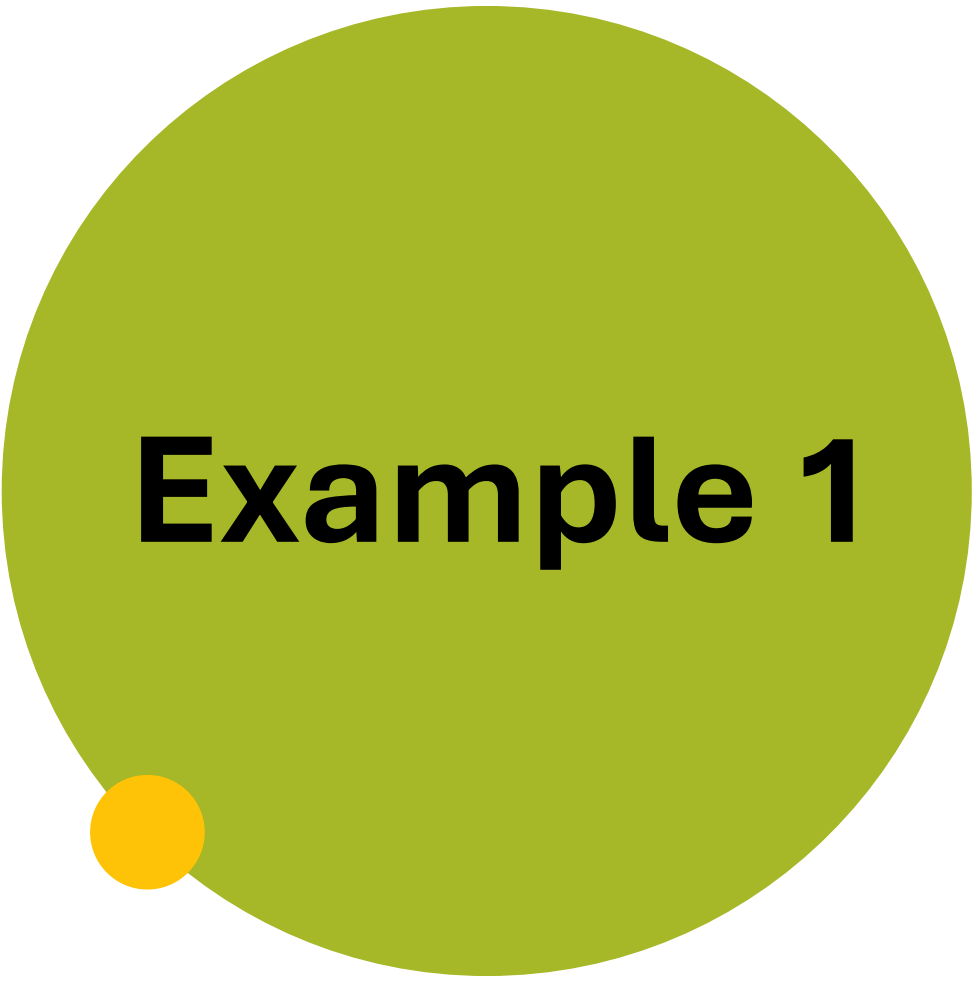
Any person who is ***exercising their individual right*** and who receives no compensation (aka – not for work), does not have to register as a lobbyist.



Example 1



Jane Smith is the director of a state agency. She goes to lunch with some legislators to discuss legislation to amend statutes that affect her agency. She only meets with them one time.



Example 1

Jane Smith is the director of a state agency. She goes to lunch with some legislators to discuss legislation to amend statutes that affect her agency. She only meets with them one time.

This is lobbying and Jane would be required to register as a “legislative liaison” since she is a state officer.

Example 2



John Doe is the chief executive of ABC, Inc. and is presenting information at a luncheon including answering questions about how pending legislation may impact his business.

After the lunch, John Doe is approached by legislator Sally Stevens who introduces herself, thanks him for the presentation and they briefly discuss ABC, Inc. and the pending legislation. There are no further discussions.

Example 2

This interaction arguably **meets** the definition of legislative lobbying ***but occurred by chance.***

This **would not be** legislative lobbying.

John Doe is the chief executive of ABC, Inc. and is presenting information at a luncheon including answering questions about how pending legislation may impact his business.

After the lunch, John Doe *is approached* by Sally Stevens who introduces herself, thanks him for the presentation and they briefly discuss ABC, Inc. and the pending legislation.

Sally is a legislator. There are no further discussions.



Rule 5

Lobbying and Political Activities

All lobbyists are required, either orally or in writing, to identify himself or herself as a lobbyist and the lobbyist principal or principals on whose behalf the lobbying activities are being conducted.

Any state officer or state employee who is being lobbied may request such information. Rule 5.27.



Rule 5

Lobbying and Political Activities

AKA – If you are speaking to a legislator while on the clock, and it is a planned event, and you are representing your Conservation District or State Agency, you are lobbying and should register as a lobbyist.

And technically people can ask you if you are a lobbyist, and you have to say “yes.”

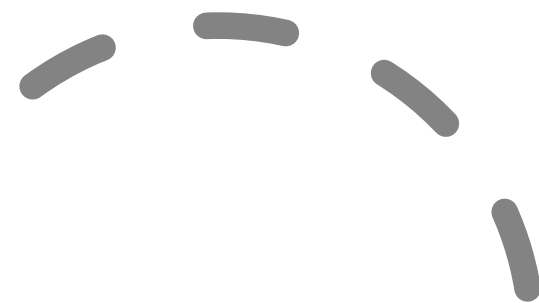


Rule 5

Lobbying and Political Activities

If you are volunteering
your personal time –
you're good.

No need to register.



Rule 5

**Lobbying and
Political
Activities**

No gifts from lobbyists to state
employees or officers,
except...



Rule 5 **Lobbyist Gifts**

A lobbyist may pay up to \$500 per calendar year for meals and gifts combined to a single state officer/employee.

The limit is \$100 for gifts.

Example: Lobbyist John Smith takes state officer/employee Jane Doe to lunch, spending \$25 with his personal funds.

A couple of weeks later, he takes Jane to dinner and spends \$50 using client funds. John Smith has spent \$75 of the \$500 meal limit on Jane Doe.



Rule 5 **Lobbyist Gifts**

A lobbyist may pay up to \$100 per calendar year for gifts combined for any individual state officer or employee of the agency being lobbied.

Example:

John then buys a \$30 birthday gift for State officer/employee Brian Jones and a \$30 birthday gift for State officer/employee Jane Doe.

John has spent \$30 of his \$500 total limit and \$100 gift limit on Brian Jones.

John has spent \$105 of his \$500 total limit and \$30 of his \$100 gift limit on Jane Doe.

Rule 5
Lobbyist Gifts

Lobbyist can provide light refreshments (snacks and drinks) to State officer/employees at any time when not part of a meal,

As long as they're provided infrequently.

Rule 5
Lobbyist Gifts

Lobbyist can provide trinkets worth less than \$10 to State officers/employees once a year without reporting.

Rule 5
Lobbyist Gifts

Lobbyists may purchase tickets for or otherwise provide sponsorship for a community, civic or charitable reception, breakfast, luncheon or dinner attended by state officers and employees who are guests of the sponsoring organization, so long as tickets are provided to state officers or employees generally.

Rule 5
Lobbyist Gifts

Lobbyist must report ticket costs for events when tickets are given to state employees/officers. Rule 5.18.

For example, A lobbyist can provide tickets to a charitable event to be made available to ALL state officers and employees of ABC agency without reporting.

Tickets **cannot be designated specifically** for Hector and Martha at ABC agency unless the lobbyist reports, and the value goes towards the \$100 gift limit/year and \$500 combined gift and meal limit/year.

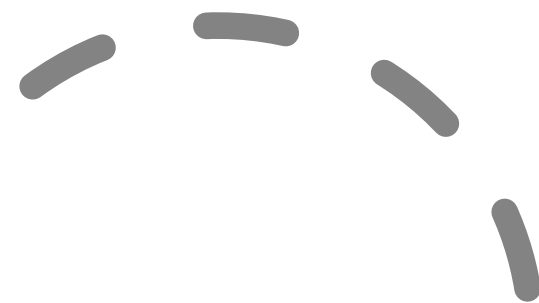


Rule 5

Lobbyist Gifts

1 plaque/trophy allowed to be given each calendar year from lobbyist to state officer/employee.

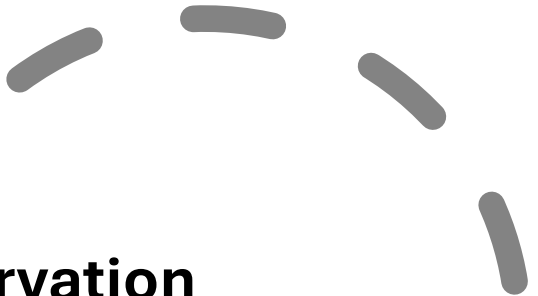
Plaque/trophy can't have cost more than \$200.



Rule 5 **Lobbyist Gifts**

Lobbyists that don't work at State Agencies/Conservation Districts may **ONLY** provide food and beverages at four specific situations:

- (1) events to which all members of the Legislature are invited;
- (2) caucus events
- (3) subcommittee/committee events
- (4) out-of-state events



Rule 5 **Lobbyist Gifts**

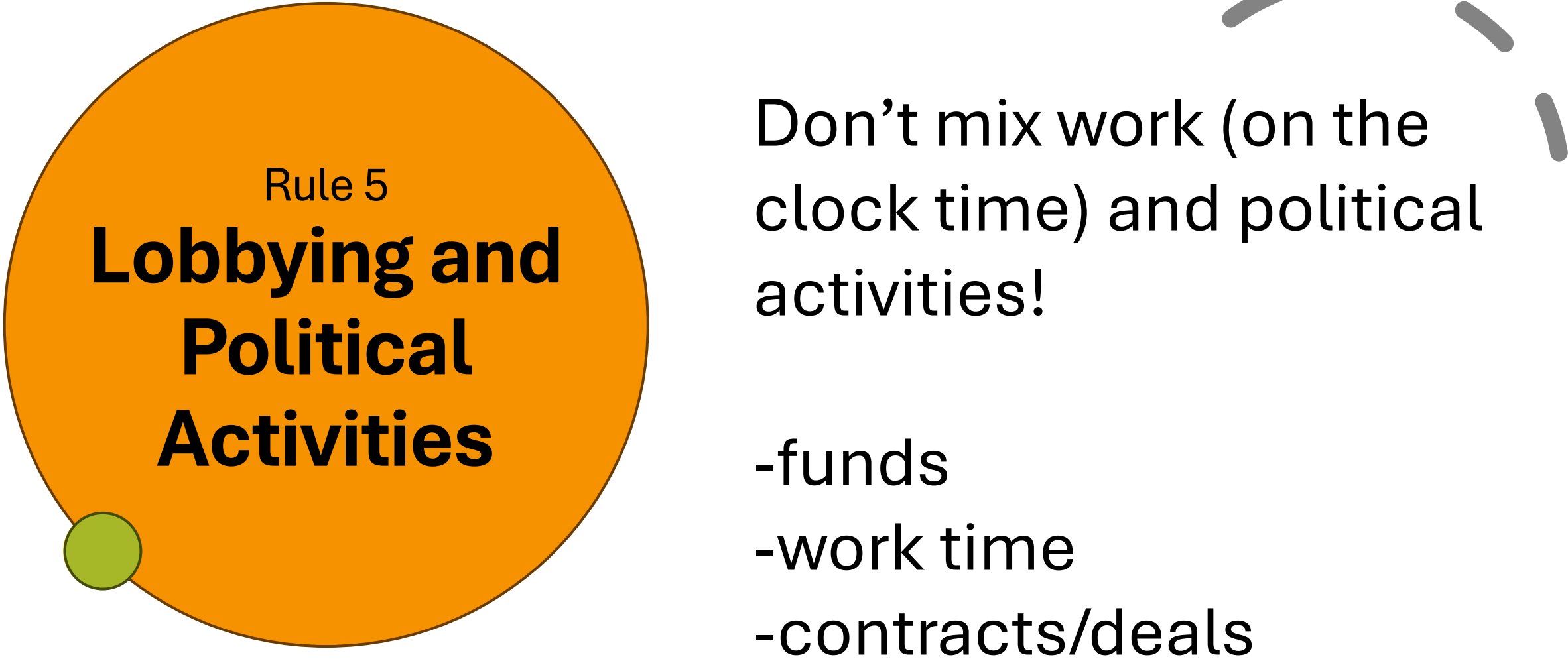
State agencies and conservation districts may provide **two tickets** to any conference, seminar, lecture or similar event held within Oklahoma and sponsored in whole or part by the agency to the Governor, any legislator or any employee of the Governor or Legislature.

The tickets must be used by the recipient or a family member of the recipient. Rule 5.6.

Rule 5
Lobbyist Gifts

- ✓ Lobbyist or agency may give a state officer or employee a book or similar informational materials that are related to the state officers' or employees' state responsibilities

So long as the value of the individual item does not exceed \$100



Rule 5

Lobbying and Political Activities

Don't mix work (on the clock time) and political activities!

- funds
- work time
- contracts/deals



Rule 5

Lobbying and Political Activities

- ✗ solicit, receive or accept funds for a political party committee, political action committee, or candidate committee while on the clock.

And don't use work resources to accept the funds.

Ethics Rules are law. If a supervisor or authority figure requests an action that violates these ethics laws, it is YOU, as the person that performs the violation, that is liable.



General Summary of Enforcement Process



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2. Commission decides to either dismiss complaint or proceed with formal investigation
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Ethics Violations

In re Shelly Zumwalt, Settlement Agreement signed July 2025

<https://www.kosu.org/local-news/2025-07-14/former-oklahoma-agency-head-barred-from-office-for-2-years-fined-20-000-in-ethics-violation-settlement>

[The audit](#) notes **OESC** contracted [Phase 2](#), a software company that employed Zumwalt's husband, for millions of dollars without disclosure from Zumwalt. This occurred during Zumwalt's tenure at **OESC** according to the report, meaning she allegedly violated a [conflict-of-interest rule](#) that prohibits relationships between public responsibilities and private economic interests.

The Ethics Commission determined Zumwalt violated one or more provisions under the conflicts of interest because her husband was the vice president of a company that had a contract with OESC.

The settlement agreement says Zumwalt admitted she should have recused herself from negotiating with her husband's company. But she did not admit to intentionally doing so.

Last week, she released a statement stating the same.

"Neither my husband nor I financially benefited from the contracts, and there was no finding by the ethics commission of any financial gain," Zumwalt wrote.

*KOSU
weirdly got
the
agency
"OMES"
swapped
with the
"OESC",
so that's
why that's
changed

Ethics Violations

In re Shelly Zumwalt, Settlement Agreement signed July 2025

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.

Ethics Violations

In re Shelly Zumwalt, Settlement Agreement signed July 2025

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.

Ethics Violations – public notice, but complaint dismissed

<https://oklahoma.gov/ethics/resources/enforcement.html#accordion-faa7aeee95-item-f328a2970e>

The Oklahoma Ethics Commission dismissed Complaint 26-08 during its May 14, 2026 Commission Meeting. The matter involved a former state employee and conduct the Commission determined constituted a *de minimis* violation of the Ethics Rules under the specific circumstances presented. Specifically, the employee utilized their office for personal gain in violation of Ethics Rule 4.4. After considering the facts and context of the matter, the Commission concluded that an educational response was more appropriate than formal enforcement action.

The Commission encourages all state officers and employees to familiarize themselves with Oklahoma's Conflict of Interest Rules and the ethical obligations associated with public service. Even seemingly minor conflicts can erode public confidence and create concerns regarding fairness and transparency in government decision-making.

The Ethics Commission remains committed to proactive education and compliance efforts. Staff has previously conducted targeted ethics training with the agency involved in this matter and continues to make training and educational resources available to state agencies across Oklahoma. Resources regarding Conflict of Interest requirements and other Ethics Rules are available at ethics.ok.gov.

Ethics Violations – complaint dismissed

<https://oklahoma.gov/ethics/resources/enforcement.html#accordion-faa7aeee95-item-f328a2970e>

Compliant C-25-07 alleged a state officer utilized written communication on state letterhead and state resources advocating for and endorsing an entity, in this case identified as a labor organization. While labor organizations are typically defined as private entities, in this complaint the entity endorsed is actually a 501(c)(3) non-profit and calls itself the “non-union alternative...”.

Pursuant to Ethics Rule 4.4., “[e]xcept as permitted by law, a state officer or employee shall not use his or her State office.... (2) for the endorsement of any product, service or enterprise...”. However, “[a] state officer or employee may promote or solicit funds for civic, community or charitable organizations, including those promoting businesses or industries, or civic, community or charitable fundraising events provided the state officer or state employee receives nothing for doing so except the costs associated with the state officer or state employee’s participation in a fund-raising promotion or event paid for from funds of a charitable organization. Ethics Rule 4.2 (2) defines a “Charitable Organization” as “one described in Section 501(c)(3) of Title 26 of the United States Code as it currently exists or as it may be amended.”

Therefore, a state officer or employee who utilized his or her state office or employment to promote a charitable organization is not in violation of Ethics Rule 4.4.

Ethics Violations

<https://oklahoma.gov/ethics/resources/enforcement.html#accordion-faa7aeee95-item-f328a2970e>

Was not determined to be in the public interest, therefore was kept confidential.

We do not know what Jennifer Bolt did.

In the matter of:

Jennifer Bolt

)
)
)

Ethics Commission
Case No. 2025-15

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is between the Oklahoma Ethics Commission (“Commission”) and Jennifer Bolt (“Respondent”) each individually a “Party” and collectively the “Parties.”

NOW, THEREFORE, the Parties agree as follows:

- 1) The Commission has jurisdiction over Respondent and the subject matter of this agreement.
- 2) Respondent is represented in this matter by independent legal counsel of her choosing and voluntarily enters into this agreement with the Commission.
- 3) This Agreement addresses all claims made by the Commission against Respondent as identified in this case in the Notice of Investigation from the Commission dated August 15, 2025.
- 4) The Parties acknowledge the following Ethics Rules apply to Respondent’s actions and are related to the issues reviewed by the Commission in this case:
 - a. Ethics Rule 4.7, State Officer Impartiality
 - b. Ethics Rule 4.4, Misuse of Office
- 5) This Agreement takes into account that Respondent had no prior allegations or findings of Ethics Rule(s) violations. To the extent a violation occurred, the Commission acknowledges that Respondent has expressed regret and maintains that any violation was not intentional.
- 6) To settle the allegations set forth in the Notice of Investigation dated August 15, 2025, and related discussions regarding Case No. 2025-15 issued as of the date of this agreement, no later than twelve (12) months from the approval of this Agreement, Respondent shall pay a total of Two Thousand (\$2,000.00) as a civil penalty to the State of Oklahoma general revenue fund

Ethics Violations

<https://oklahoma.gov/ethics/resources/enforcement.html#accordion-faa7ae95-item-f328a2970e>

<https://oklahomavoice.com/2026/01/15/former-oklahoma-mental-health-department-settles-with-ethics-commission/>

OKLAHOMA CITY – The former deputy director of Oklahoma’s mental health department settled with the Ethics Commission Thursday and will pay the state \$2,500 for violating lobbyist registration and reporting law.

Heath Hayes, 41, communicated with state officials “for the purpose of influencing governmental action” without being registered as a lobbyist, according to a statement from Lee Anne Bruce Boone, executive director of the Ethics Commission.



Questions?