

1 ENGROSSED HOUSE  
2 BILL NO. 2164

By: Pfeiffer of the House

3 and

4 Haste of the Senate

5  
6 An Act relating to public corruption; amending 21  
7 O.S. 2021, Section 344, which relates to crimes  
8 against state revenue; changing punishment; providing  
9 for removal; stating elements of certain unlawful  
10 acts; providing penalties; amending 22 O.S. 2021,  
11 Sections 1181, 1181.1, and 1181.2, which relate to  
12 removal; providing definitions; specifying scope;  
13 stating elements of certain unlawful acts; requiring  
14 certain disclosures for bidders; amending 74 O.S.  
15 2021, Section 85.42, which relates to the Oklahoma  
16 Central Purchasing Act; providing consequence for  
17 certain unlawful acts; requiring certification of  
18 conflict of interest compliance by state agency head;  
19 amending 74 O.S. 2021, Section 3101, which relates to  
20 newly appointed members of state agencies; requiring  
21 ethics training for first-time state officers;  
22 stating elements of certain unlawful acts; providing  
23 definitions; providing exceptions; providing  
24 penalties; providing for codification; and providing  
an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 21 O.S. 2021, Section 344, is  
amended to read as follows:

Section 344. A. Except as otherwise provided in this section,  
every public officer, being authorized to sell or lease any  
property, or make, approve, negotiate, or authorize any contract in  
his or her official capacity, who voluntarily becomes interested

1 individually in such sale, lease or contract, directly or  
2 indirectly, is guilty of a ~~misdemeanor~~ felony and shall further be  
3 prohibited from holding any public office in the state. Violation  
4 of this section shall be grounds for removal from office or  
5 termination from state employment.

6 B. The provisions of this section shall not apply to:

7 1. Municipal officers who are subject to the provisions of  
8 Section 8-113 of Title 11 of the Oklahoma Statutes; and

9 2. Conservation district board members participating in  
10 programs authorized by Section 3-2-106 of Title 27A of the Oklahoma  
11 Statutes.

12 SECTION 2. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 365 of Title 21, unless there is  
14 created a duplication in numbering, reads as follows:

15 A. Any current or former officer, employee, or contractor of a  
16 state agency who obtains or obtained nonpublic information by virtue  
17 of their government employment, government office, or contract with  
18 a state agency, and who:

19 1. Uses such information for personal gain or benefit;

20 2. Acquires or divests them of a pecuniary interest in any  
21 property, transaction, or enterprise which may be affected by such  
22 information;

23 3. Speculates or wagers on the basis of such information;

24

1       4. Uses such information in a way that would affect any  
2 personal pecuniary interest, including an interest held by an  
3 immediate family member, or business entity their immediate family  
4 member is associated with;

5       5. Discloses such information to any person, group, entity, or  
6 others not entitled to receive such information; or

7       6. Aids another to do any of the foregoing,  
8 shall be guilty of a felony punishable by imprisonment in the  
9 custody of the Department of Corrections for a term not exceeding  
10 five (5) years, or by a fine of Ten Thousand Dollars (\$10,000.00),  
11 or by both such fine and imprisonment. Any person convicted of  
12 violating any provision of this section shall be prohibited from  
13 holding any public office in this state and shall be prohibited from  
14 entering into any state contract.

15       B. Violation of any provision of this section shall be grounds  
16 for removal from office or termination from state employment.

17       C. For purposes of this section, the term "immediate family  
18 member" means:

- 19       1. A spouse;
- 20       2. A spouse's parents;
- 21       3. A child by birth or adoption;
- 22       4. A stepchild;
- 23       5. A parent;
- 24       6. A grandparent;

- 1 7. A grandchild;
- 2 8. A sibling;
- 3 9. A spouse's siblings; or
- 4 10. A spouse of any immediate family member aforementioned.

5 SECTION 3. AMENDATORY 22 O.S. 2021, Section 1181, is  
6 amended to read as follows:

7 Section 1181. Any officer not subject to impeachment elected or  
8 appointed to any state, county, township, city, town or other office  
9 under the laws of the state may, ~~in the manner provided in this~~  
10 ~~article~~ in addition to any other methods and causes provided by law,  
11 be removed from office for any of the following causes:

12 First. Habitual or willful neglect of duty, which, for a state  
13 officer, shall include, but not be limited to, knowingly giving  
14 false testimony to a committee of either house of the Legislature,  
15 knowingly engaging in operations beyond the constitutional or  
16 statutory authority delegated to the agency that the officer is  
17 employed by or serves, or repeatedly refusing to provide information  
18 to a committee, either house or a member of the Legislature in a  
19 timely manner. For the purposes of this section, "timely manner"  
20 means no more than fifteen (15) business days from the date the  
21 request for information was received by the agency, unless extended  
22 by written agreement.

23 Second. Gross partiality in office.

24 Third. Oppression in office.

1 Fourth. Corruption in office, which shall include the use of  
2 public office or authority to procure, attempt to procure, or that  
3 would foreseeably result in a personal benefit, profit, or  
4 perquisite.

5 Fifth. Extortion or willful overcharge of fees in office.

6 Sixth. Willful maladministration.

7 Seventh. Habitual drunkenness.

8 Eighth. Failure to produce and account for all public funds and  
9 property in his or her hands, at any settlement or inspection  
10 authorized or required by law.

11 SECTION 4. AMENDATORY 22 O.S. 2021, Section 1181.1, is  
12 amended to read as follows:

13 Section 1181.1. All elective or appointed officers in the State  
14 of Oklahoma, including elective or appointed officers of the state  
15 and elective or appointed officers in each county, city, town or  
16 school district of the State of Oklahoma, but excluding any elective  
17 officers liable to impeachment, shall be subject to removal from  
18 office in such manner and for such causes as now provided by law, or  
19 as may be provided by law passed subsequent to this act, and any  
20 such officer or officers may be removed or ousted from office for  
21 any act or acts of commission or omission or neglect which may be  
22 committed, done or omitted during the term in which such ouster or  
23 removal proceedings may be filed, and any such officer or officers,  
24 may be removed or ousted from office for any act or acts of

1 commission, omission or neglect committed, done or omitted during a  
2 previous or preceding term in ~~such~~ any office.

3 SECTION 5. AMENDATORY 22 O.S. 2021, Section 1181.2, is  
4 amended to read as follows:

5 Section 1181.2. The complaint, petition, accusation or  
6 proceeding for removal or ouster from office may include allegations  
7 or charges of any act or acts of commission, omission or neglect  
8 which may be committed, done or omitted during the term of office in  
9 which such ouster or removal proceeding may be filed, and may also  
10 include allegations or charges as to any act or acts of commission,  
11 omission or neglect committed, done or omitted during a previous or  
12 preceding term in ~~such~~ any office.

13 SECTION 6. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 85.22A of Title 74, unless there  
15 is created a duplication in numbering, reads as follows:

16 Any agreement or collusion among bidders or prospective bidders  
17 in restraint of freedom of competition by agreement to bid at a  
18 fixed price or to refrain from bidding, or otherwise, shall render  
19 the bids of such bidders void. Any agreement or collusion among  
20 state officers or employees and bidders or prospective bidders  
21 intended to create a sole-source acquisition in contradiction to  
22 Section 85.44D.1 of this title or to give a bidder or prospective  
23 bidder a competitive advantage, including the disclosure of  
24 nonpublic information, whether or not in exchange for anything of

1 value, shall render the bids of such bidders void. Persons  
2 willfully violating this section shall be guilty of a felony. Any  
3 person convicted of violating any provision of this section shall be  
4 prohibited from holding any public office in this state and shall be  
5 prohibited from entering into any state contract.

6 SECTION 7. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 85.22B of Title 74, unless there  
8 is created a duplication in numbering, reads as follows:

9 Any disclosure by an employee of a public agency of the material  
10 terms of a bid submitted in response to a bid notice issued by a  
11 public agency in advance of the time set for opening of all bids so  
12 submitted shall be unlawful. It shall also be unlawful for any  
13 person to solicit, possess, provide, or receive information which is  
14 to be contained in a bid notice of a public agency, for use in  
15 preparing a bid, in advance of the date on which said bid notice is  
16 to be made equally and uniformly known to all prospective bidders  
17 and the public, and it shall further be unlawful for any employee of  
18 a public agency to withhold or impede the distribution of said  
19 information after notice of the bid has been given, unless the  
20 solicitation of bids has been withdrawn or the particular  
21 information in question has been deleted or replaced through  
22 alteration of the bid notice and said withdrawal or alteration has  
23 been made equally and uniformly known. Any violation of this  
24 section shall be a felony and shall render the proceedings void and

1 require solicitation and award anew. Any person convicted of  
2 violating any provision of this section shall be prohibited from  
3 holding any public office in this state and shall be prohibited from  
4 entering into any state contract.

5 SECTION 8. NEW LAW A new section of law to be codified  
6 in the Oklahoma Statutes as Section 85.22C of Title 74, unless there  
7 is created a duplication in numbering, reads as follows:

8 Each bidder and each recipient of a sole-source contract shall  
9 accompany a bid with a written statement under oath disclosing the  
10 following information:

11 1. Any business or familial relationship then in effect or  
12 which existed within one (1) year prior to the date of such  
13 statement between any officer or director of the bidding company and  
14 any officer or employee of the state agency receiving the bid;

15 2. The nature of any such business or familial relationships  
16 then in effect or which existed within one (1) year prior to the  
17 date of such statement with any officer or employee of the state  
18 agency receiving the bid; and

19 3. The names of all persons having any such business or  
20 familial relationships and the positions they hold with their  
21 respective companies, firms, or state agencies. If none of the  
22 business or familial relationships hereinabove mentioned exist, then  
23 a statement to that effect.

24



1 SECTION 9. AMENDATORY 74 O.S. 2021, Section 85.42, is  
2 amended to read as follows:

3 Section 85.42. A. 1. Except as otherwise provided for in this  
4 section or other applicable law, any agency, whether or not such  
5 agency is subject to the Oklahoma Central Purchasing Act, is  
6 prohibited from entering into a sole-source contract or agreement or  
7 a contract or agreement for professional services with or for the  
8 services of any person, who has terminated employment with or who  
9 has been terminated by that agency for one (1) year after the  
10 termination date of the employee from the agency. Any contract or  
11 agreement entered into in violation of this subsection shall be  
12 void. Any person found to have violated this subsection shall  
13 further be prohibited from entering into any state contract. The  
14 provisions of this subsection shall not prohibit an agency from  
15 hiring or rehiring such person as a state employee.

16 2. Any chief administrative officer of an agency, whether or  
17 not such agency is subject to the Oklahoma Central Purchasing Act,  
18 shall not enter into any contract for nonprofessional or  
19 professional services for the purpose of or which would result in  
20 the circumvention of the full-time-equivalent employee limitation  
21 established by law for such agency.

22 B. Each contract, including change orders, extensions,  
23 renewals, or amendments, entered into by any person or firm with the  
24 State of Oklahoma shall include a statement certifying that no

1 person who has been involved in any manner in the development,  
2 approval, or negotiation of that contract while employed by the  
3 state shall be employed or given anything of value to fulfill any of  
4 the services provided for under the contract. Each contract,  
5 including change orders, extensions, renewals, or amendments, shall  
6 also include a statement from the chief executive officer or head of  
7 the contracting state agency certifying that no officer or employee  
8 of the contracting state agency who has any direct or indirect  
9 financial, pecuniary, or other personal interest in the contract has  
10 been involved in any manner in the development, approval, or  
11 negotiation of the contract through influence, decision,  
12 recommendation, or otherwise. This subsection shall not preclude  
13 faculty and staff of the institutions within The Oklahoma State  
14 System of Higher Education from negotiating and participating in  
15 research grants and educational contracts. Nor shall this  
16 subsection apply to Oklahoma Department of Commerce personnel who  
17 contract to provide services to the Oklahoma Capital Investment  
18 Board.

19 C. As used in this section, person is defined as any state  
20 official or employee of a department, board, bureau, commission,  
21 agency, trusteeship, authority, council, committee, trust, school  
22 district, fair board, court, executive office, advisory group, task  
23 force, study group, supported in whole or in part by public funds or  
24 entrusted with the expenditure of public funds or administering or

1 operating public property, and all committees, or subcommittees  
2 thereof, judges, justices and state legislators.

3 D. Notwithstanding anything to the contrary in this section,  
4 the following sole-source or professional services contracts are  
5 allowed at any time:

6 1. A contract for professional services at any time with a  
7 person who is a qualified interpreter for the deaf; and

8 2. A contract between a business entity that is a part-time  
9 certified court reporter and the Administrative Office of the  
10 Courts, on behalf of the district courts, or the Office of the  
11 Attorney General.

12 E. Provided the provisions specified in subsection B of this  
13 section are satisfied, the following professional services contracts  
14 are allowed:

15 1. The Department of Transportation, Oklahoma Water Resources  
16 Board, Department of Environmental Quality, Oklahoma Tourism and  
17 Recreation Department, the Oklahoma Turnpike Authority and the  
18 Oklahoma Department of Agriculture, Food, and Forestry may contract  
19 with a person who has retired from state service;

20 2. To maintain public health infrastructure and preparedness,  
21 the State Department of Health and city-county health departments  
22 may contract with a physician assistant, registered nurse, advanced  
23 practice nurse, nurse-midwife, registered dietician, occupational  
24

1 therapist, physical therapist or speech-language pathologist who has  
2 retired from state service; and

3 3. The Department of Mental Health and Substance Abuse Services  
4 may contract with a physician, registered nurse, registered  
5 pharmacist or person meeting the definition of a licensed mental  
6 health professional, as defined in Title 43A of the Oklahoma  
7 Statutes, who has separated and/or retired from state service.

8 SECTION 10. AMENDATORY 74 O.S. 2021, Section 3101, is  
9 amended to read as follows:

10 Section 3101. A. The chief executive officer of any state  
11 agency, board, commission, council or other governing body of any  
12 department, system or authority is required, as part of ~~his~~ their  
13 duties, to brief any newly appointed member of such governing body  
14 within two (2) weeks from the date of the member's appointment  
15 regarding ~~his~~ their duties and responsibilities and those of the  
16 body to which ~~he has~~ they have been appointed, providing the new  
17 member with a copy of the statute or ~~Constitutional~~ constitutional  
18 provision pertaining thereto, a copy of the last twelve (12) monthly  
19 operating budgets showing all disbursements and receipts of such  
20 department or agency, and a copy of all rules and regulations  
21 existing in said agency, and other pertinent information that will  
22 assure that the new appointee is advised of such duties and  
23 responsibilities. The briefing may be delegated in part to the  
24 executive director or other managing officer of any department,

1 system or authority under supervision of the governing body, the  
2 responsibility for its accomplishment remaining that of the chief  
3 executive officer.

4 A. B. Beginning January 1, 2027, each person elected or  
5 appointed for the first time as chief executive officer or head of a  
6 state agency, board, bureau, trust, commission, council, department,  
7 system, or authority shall be required within one (1) year after  
8 taking the oath of office to attend a course directed by the  
9 Oklahoma Ethics Commission. The curriculum for the course shall  
10 include, but not be limited to: conflicts of interest,  
11 impartiality, misuse of office, misuse of authority, and financial  
12 disclosures. A certificate of completion shall be awarded to those  
13 persons who attend and successfully complete the course and a list  
14 of those persons shall be maintained by the Oklahoma Ethics  
15 Commission. Any person who fails to satisfy the education  
16 requirements of this section shall cease to hold office commencing  
17 at the next scheduled meeting of the governing body following the  
18 first-year anniversary of the person's taking the oath of office.

19 SECTION 11. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 3102.1 of Title 74, unless there  
21 is created a duplication in numbering, reads as follows:

22 A. For purposes of this section:  
23 1. "Private economic interest" shall include any interest that  
24 could foreseeably result in directly or indirectly receiving a

1 pecuniary gain, a competitive advantage, or sustaining pecuniary  
2 loss as a result of an official act or forbearance. A private  
3 economic interest shall not include an interest in a pension plan,  
4 401(k), individual retirement account or other retirement investment  
5 vehicle that makes diversified investments over which the state  
6 officer or employee or their immediate family member exercises no  
7 control over the acquisition or sale of particular holdings;

8 2. The term "immediate family member" of a state officer or  
9 employee means:

- 10 a. a spouse,
- 11 b. the parents of a spouse,
- 12 c. a child by birth or adoption,
- 13 d. a stepchild,
- 14 e. a parent,
- 15 f. a grandparent,
- 16 g. a grandchild,
- 17 h. a sibling,
- 18 i. a spouse's sibling, or
- 19 j. a spouse of any immediate family member  
20 aforementioned;

21 3. The term "associated nongovernment entity" shall mean:

- 22 a. any nonprofit or charitable organization or private  
23 business, including, but not limited to, a closely  
24

1 held corporation, limited liability company,  
2 subchapter S corporation, or partnership, in which:

3 (1) the state officer or employee or their immediate  
4 family member has or has had a business  
5 relationship other than a routine consumer  
6 transaction at any point during the previous  
7 three hundred sixty-five (365) days,

8 (2) the state officer or employee or their immediate  
9 family member is a director, officer, owner,  
10 partner, manager, employee, contractor,  
11 consultant, board member, or agent,

12 (3) the state officer or employee or their immediate  
13 family member receives or has received income or  
14 other financial compensation at any point during  
15 the previous three hundred sixty-five (365) days,

16 (4) the state officer or employee or their immediate  
17 family member, directly or indirectly, owns or  
18 has owned stock, another form of equity interest,  
19 stock options, debt instruments, or has received  
20 dividends or income at any point during the  
21 previous three hundred sixty-five (365) days, or

22 (5) the state officer or employee or their immediate  
23 family member is negotiating or has any  
24 arrangement concerning prospective employment,

1           b. any publicly traded corporation or other business  
2           entity in which:

3           (1) the state officer or employee or their immediate  
4           family member holds or has held an ownership  
5           interest of five percent (5%) or more at any  
6           point during the previous three hundred sixty-  
7           five (365) days, or

8           (2) the state officer or employee or their immediate  
9           family member serves or has served as a director  
10          or officer at any point during the previous three  
11          hundred sixty-five (365) days;

12          4. "State agency" includes any office, bureau, board, council,  
13          commission, department, authority, institution, trust, unit,  
14          division, or body of the executive branch of the state government,  
15          excluding political subdivisions of the state.

16          B. It shall be unlawful for any state officer or employee of a  
17          state agency to participate in their official capacity, through  
18          decision, approval, disapproval, authorization, recommendation,  
19          investigation, the rendering of advice, influence, or otherwise, in  
20          any matter in which their immediate family member, or an associated  
21          nongovernment entity has a direct or indirect private economic  
22          interest. Any person convicted of willfully violating the  
23          provisions of this subsection shall be guilty of a felony,  
24          punishable by imprisonment in the custody of the Department of



1 Corrections for a term not less than one (1) year nor more than ten  
2 (10) years and a fine not exceeding Ten Thousand Dollars  
3 (\$10,000.00), and shall further be prohibited from holding any  
4 public office in the state. The fact that the accused's conduct  
5 also served a legitimate governmental purpose is no ground of  
6 defense or of mitigation of punishment. Prosecutions for violations  
7 of this subsection shall be commenced in accordance with subsection  
8 A of Section 152 of Title 22 of the Oklahoma Statutes.

9 C. A state officer or employee who, in the discharge of their  
10 official responsibilities, is required or called upon to participate  
11 in a matter in which their immediate family member, or an associated  
12 nongovernment entity has a private economic interest, within thirty  
13 (30) days of becoming aware of such potential conflict arising from  
14 a private economic interest or prior to the official action affected  
15 by the private economic interest, whichever is first, shall:

16 1. Prepare a certified written statement describing the matter  
17 requiring participation and the nature of their potential conflict  
18 of interest with respect to the matter in detail sufficient to be  
19 understood by the public;

20 2. Furnish a copy of the statement to their superior, if any,  
21 who shall assign the matter to another employee who does not have a  
22 private economic interest. Their superior shall furnish a copy of  
23 the statement to the Oklahoma Ethics Commission. If he or she has  
24 no immediate superior, he or she shall furnish a copy of the

1 statement directly to the Oklahoma Ethics Commission. The statement  
2 shall remain available for public inspection;

3 3. If they are an elected officer or if they are appointed as  
4 the chief executive officer or head of a state agency, they shall  
5 furnish a copy of the statement to the presiding officer of the  
6 governing body of the agency on which they serve, who shall cause  
7 the statement to be printed in the minutes of the next meeting and  
8 require that they be excused from any votes, deliberations, and  
9 other actions on the matter in which the potential conflict of  
10 interest exists and shall cause the disqualification and the reasons  
11 for it to be noted in the minutes.

12 D. Any person convicted of violating the provisions of  
13 subsection C of this section shall be guilty of a misdemeanor and  
14 punished by imprisonment in the county jail for a term not to exceed  
15 one (1) year, or by a fine not exceeding One Thousand Dollars  
16 (\$1,000.00), or by both such fine and imprisonment.

17 E. Violation of any provision of this section shall be grounds  
18 for removal from office or termination from state employment.

19 F. Any transaction or contract entered into in violation of any  
20 provision of this section is void.

21 G. A person shall not be guilty of an offense under this  
22 section if the person's performance of official functions would not  
23 affect the person, immediate family member, or associated  
24 nongovernment entity differently than such performance would affect

