

said companies. Some of the contracts with oil and gas companies by said oil well servicing company did result in business for said oil well servicing company. It is the finding of the Committee that the said persons above named, while they were either members or employees of the Corporation Commission, were indiscreet in rendering financial assistance to said oil well servicing company and in assisting in contacts by said oil well servicing company with oil and gas companies which gave the appearance of a conflict of interest with the duties of their offices, in that it is subject to being interpreted as coercive in nature by virtue of the office held by said named persons. In this connection, we further find that members of the Corporation Commission refused to use their influence by interceding in behalf of said oil well servicing company with Pan American Oil Company to cause said Pan American Oil Company to continue doing business with said oil well servicing company.

9. Harold Freeman and Ray C. Jones owned shares of stock in Livingston Oil Company while they were members of the Corporation Commission. There is no prohibition in the law of the State of Oklahoma against a member of the Corporation Commission owning stock in an oil company. However, there is a prohibition in the Constitution of the State of Oklahoma against a member of the Corporation Commission being directly or indirectly interested in any pipeline operated for hire in this state or out of it, or any stock, bond, mortgage security or earnings of such pipeline. The Tenth Annual Report of the Livingston Oil Company, on Page 7 of said report, shows in a listing of the Livingston property, 200 miles of pipeline, including oil and gas gathering and distribution systems, and it likewise shows that Livingston Oil Company receives from plants and pipelines 8.8% of its total revenue. Livingston Oil Company denies that it is a pipeline company and it is not clear from the evidence whether the pipelines shown in the Annual Report were owned by Livingston Oil Company or by subsidiary companies whose stock is owned by Livingston Oil Company. Livingston Oil Company is not chartered as a pipeline company and it is neither assessed or taxed as a pipeline company in the State of Oklahoma. Very well written briefs were submitted by Jeff R. Laird, counsel for the Committee, contending that Livingston Oil Company could be classified as a company operating pipelines for hire, and by Jim A. Rinehart of the law firm of Rinehart, Rinehart and Rinehart, contending that Livingston Oil Company is not a company which operates pipelines for hire. The penalty for a member of the Corporation Commission having an interest in a company which operates pipelines for hire, under the Constitution of the State of Oklahoma, is that said office is declared vacant. The penalty for the violation of this provision of the Constitution of the State of Oklahoma is in effect a forfeiture of office and any forfeiture penalty must be strictly construed. While the evidence is not conclusive and a judicial determination of this question would be desirable, it is the finding of the Committee, based upon the testimony given during the hearings of the Committee, the documents presented to the Committee, and after reviewing the briefs of Mr. Rinehart and Mr. Laird, that the Committee is unable to conclude that Livingston Oil Company was a company which operated pipelines for hire, so as to preclude the ownership of stock in Livingston Oil Company by a member of the Corporation Commission, and the Committee cannot conclude that the offices now occupied by Ray C. Jones and Harold Freeman should be declared vacant for this reason. The Committee further finds that appropriate judicial action should be encouraged to resolve the legal issues raised by this stock ownership.

10. James G. Welch and William L. Anderson received payments of money while they were employees of the Corporation Commission from Clyde H. Hale, Sr., while he was representing utility companies in Oklahoma as an attorney for said companies. The payments to Mr. Anderson were monthly payments over a period of time and were allegedly for campaign expenses. The payments to Mr. Welch were allegedly for a "joint venture," legal services, campaign expenses and loans. While the conduct on the part of said parties is not shown by the evidence to be a violation of law, it does give rise to a question of ethics inasmuch as both of said parties are attorneys at law. There is strong evidence that attorneys representing utility companies before the Corporation Commission split fees with James G. Welch while he was general counsel for the Corporation Commission, and this emphasizes the need for a conflict of interest statute in the State of Oklahoma.

11. The evidence shows that sizeable campaign contributions were made by attorneys for utility companies. There is nothing wrong or illegal about a campaign contribution as such, for if it were otherwise, only a thief or one with