

The Ethics Reporter

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KENTUCKY LEGISLATIVE ETHICS COMMISSION
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KLEC.KY.GOV

2023 short session sees spending surge

Did you know?



The next filing date for employers' and legislative agents' spending disclosures is **Monday, May 15, 2023. You may file now!**

The easiest and quickest way to file is to visit the Commission's website <http://klec.ky.gov> and click "file forms online."



*When did the General Assembly enact the legislative ethics code?
Answer on page 4*

Continuing the trend of higher spending, lobbying interests spent a record \$9.343 million for the 2023 short legislative session, eclipsing the previous record of \$8.548 million set in 2022 for the first 3 months of a year.

862 lobbying businesses and organizations registered to lobby in Kentucky, spending \$9.113 million. 689 lobbyists were paid \$7.55 million in compensation, and reported \$230,339 in expenses.

Total spending on advertising supporting or opposing legislation during a session was \$1,030,802, an all time record, driven by the legislative debates over gaming. The previous record of \$1,017,588 was set in 2015. In 2014, the General Assembly amended the Ethics Code to require such reporting by lobbying groups during any legislative session.

The top two overall lobbying spenders stayed the same from last month, as they continued vying over legislation to prohibit so-called "gray machines", which ultimately passed. **KY Merchants and Amusement Coalition, Inc.** spent \$483,324, mostly on advertising regarding HB 594 and 525, to the tune of \$476,994. This was the highest amount spent on advertising during the session, and included an RV rental that allowed legislators and others to try out the games at issue.

The second highest overall spender, at \$348,263, **Kentuckians Against Illegal Gambling**, paid all but \$1,500 of its lobbying expenditures, \$346,763, on advertising favoring HB 594, garnering the second highest ad spending.

The third highest spender was **KY Chamber of Commerce** (\$150,896). The Chamber also reported the highest cumulative compensation for its 14 registered lobbyists, \$137,160. The Chamber also hosted, along with other sponsors listed in last month's *Ethics Reporter*, the most expensive event to which legislators were invited, the Chamber Day Dinner (\$18,379).

Next was the **American Civil Liberties Union of KY (ACLU)** (\$138,982), which spent the third highest amount on lobbyist compensation, at \$99,966. Fifth

place overall spender **Pace-O-Matic of KY** (\$110,150) also had the second highest lobbyist compensation, at \$106,100.

The rest of the top 10 were: **Keeneland Association** (\$81,229) also fourth in lobbyist compensation (\$78,754); **KY Hospital Association** (\$78,446); **LG&E and KU Energy LLC** (\$73,910); **Greater Louisville, Inc.** (\$73,907), which spent all that amount on fifth place lobbyist compensation; and **Duke Energy** (\$72,937), which posted the third highest ad spending.

The remaining top 20 are: **KY Medical Association** (\$70,930); **KY League of Cities** (\$66,826); **Altria Client Services LLC** (\$66,412); **Fairness Campaign** (\$54,389); **KY Power Company** (\$53,220); **KY Retail Federation, Inc.** (\$52,797); **Elevance Health & Affiliates DBA Anthem Inc.** (\$52,798); **Sports Betting Alliance** (\$44,704), which had the fifth highest ad spending; **KY Bankers Association** (\$41,835); and **KY Association of Electric Cooperatives** (\$40,339).

KY Retired Teachers Association came in fourth in advertising spending.

Out of the \$7,551,566 paid in lobbyists' compensation during the session, the top ten lobbyist earners represented \$1,831,645, or 24% of the total. The top ten were: **Stephen Huffman** (\$231,475); **Patrick Jennings** (\$219,613); **John McCarthy III** (\$215,433); **Bob Babbage** (\$213,696); **Ronnie Pryor** (\$189,949); **Kelly Abell** (\$182,512); **Sean Cutter** (\$159,677); **Chris Nolan** (\$143,947); **Jason Bentley** (\$142,856); and **Mike Biagi** (\$132,487).

Lobbying interests spent \$206,842 on receptions, meals and events for legislators and legislative staff.

Spending disclosures may be found on KLEC's website at klec.ky.gov/Reports/Pages/Employers-and-Legislative-Agents.aspx along with a list of bills lobbied by each employer. A searchable database of all lobbyists and employers, and their spending, is available at apps.klec.ky.gov/searchregister.asp

New and terminated lobbying employers

Several organizations recently registered to lobby legislators in Kentucky: **Amalgamated Transit Union (ATU); BetMGM, LLC; DraftKings, Inc.; Fifth Third Bank; and LDG Development.**

Organizations recently terminating their lobbying registration are: **American Childhood Cancer Organization; KY Educational Development Corp.; Milburn Group LLC; National Council of State Boards of Nursing; Opiant Pharmaceuticals, Inc.; Owl's Head Alloys, Inc.; Pear Therapeutics (US), Inc.; Praeses LLC; Sound Money Defense League; Thoroughbred Engineering; and KY Aviation Assn.**

Could Michael Madigan be bought? Jurors to weigh central question in “ComEd Four” trial after closing arguments Monday

ILLINOIS-Chicago Tribune-by Jason Meisner and Ray Long-April 23, 2023

As lawyers on both sides of the “ComEd Four” case gear up for Monday’s closing arguments, the difference between conviction and acquittal depends on the jury determining whether the utility’s efforts to woo then-House Speaker Michael Madigan were legitimate lobbying or illegal bribes.

In the pantheon of Illinois public corruption cases, prosecutors have famously used the federal bribery statute to convict an ever-growing list of governors, aldermen and state legislators caught on the take. The outcome in this trial, however, is far from certain.

Madigan, who turned 81 last week, did not become the longest-serving speaker in American history by openly and recklessly breaking the law. His acolytes spent decades swearing — sometimes rather loudly on telephone calls, inside saloons and in Capitol hallways — that the speaker, who also led the state Party, was extraordinarily careful to stay within ethical and legal boundaries.

Even though Madigan is not on trial, lawyers for the ComEd Four defendants have tried fervently over the past six weeks to cast doubt in the minds of jurors by challenging the bedrock allegation built into the case that Madigan could be bought.

Prosecutors, however, have alleged it’s not crazy at all. In fact, the indictment alleged getting jobs for people was a key way Madigan managed to hold on to power for so long. When the old political machine that depended on blue collar patronage jobs such as meter readers broke down, Madigan simply evolved, prosecutors say, creating a new system that set up an ever-growing list of former political allies with lucrative lobbying and consulting gigs.

That modern-day patronage system was laid bare in the six weeks of testimony, reflecting not only Madi-

gan’s vaunted political operation but also the machinations of Illinois politics on a much larger scale, including the cozy relationships between lobbyists, politicians and clout-heavy public utilities that depend on action in Springfield, where Madigan controlled the fate of virtually every piece of legislation.

To prove their case, prosecutors have tried to show that the ComEd Four defendants corrupted that process by providing a stream of benefits to Madigan and his cronies in exchange for what they hoped would be the speaker’s favorable treatment of their ambitious legislative agenda in Springfield.

Defense attorneys have argued repeatedly — and will surely again Monday — that none of the jobs and other benefits allegedly bestowed upon Madigan can be directly tied to anything the speaker did for ComEd in the General Assembly.

In deliberating the case, jurors will have to sift through a mountain of evidence.

One person, however, has been a sort of elephant in the courtroom: Madigan himself. While Madigan and McClain were indicted in March 2022 on separate racketeering charges related to the ComEd scheme and other alleged corrupt acts, the ComEd Four jury knows nothing about that case, which is scheduled for trial next April.

The indictment came a year after Madigan lost his speakership in 2021, when his own caucus refused to back him as the burgeoning ComEd scandal became a political albatross. He then gave up his House seat.

Charged in the ComEd Four case are Michael McClain, 75, a Madigan confidant and longtime ComEd lobbyist; Anne Pramaggiore, 64, a lawyer and onetime rising star in Chicago’s corporate world; Jay Doherty, 69, a longtime ComEd contract lobbyist and ex-president of the City

Club of Chicago; and John Hooker, 74, who over a 44-year career worked his way from the utility’s mailroom to become its point man in Springfield.

The indictment alleged the four conspired to funnel \$1.3 million in payments to ghost “subcontractors.” In return, prosecutors say, Madigan used his influence over the General Assembly to help ComEd score a series of huge legislative victories that not only rescued the company from financial instability but led to record-breaking, billion-dollar profits.

Closing arguments are set to begin around 9:30 a.m. Monday in U.S. District Judge Harry Leinenweber’s 17th floor courtroom.

At jury instruction conference Thursday, Leinenweber gave prosecutors three hours total to argue their case, including remarks in rebuttal that are the last arguments the jury hears before starting deliberations.

Under the governing case law, prosecutors do not have to show a specific quid pro quo existed between Madigan and the four defendants, only that there was a corrupt intent to provide the stream of benefits to Madigan in order to win his influence over legislative acts.

“The difference between the regular lobbying and corrupt lobbying is not only the intent to influence, as focused on by defendants, but the action which intends to provide ‘something of value,’ either given or offered, in order to influence the official,” the judge wrote in a ruling last year.

Leinenweber on Thursday acknowledged that the issue of when a gratuity or reward for a public official becomes a bribe is in flux in the federal courts nationwide. But for this trial, the prevailing law is what the appellate court in Chicago has held, he said.

Liz Harris expelled from state House for lying about conspiracy presentation

ARIZONA— *AZ Mirror*— by Caitlyn Sievers—April 12, 2023

Rep. Liz Harris was expelled from the Arizona House of Representatives on Wednesday for orchestrating a February meeting in which a member of the public spread wild conspiracy theories claiming that various state and local officials were in on a housing deed money laundering scheme involving a Mexican drug cartel and the Church of Jesus Christ of Latter Day Saints.

Following a House Ethics Committee report released Tuesday that found Harris lied about her actions and that she had engaged in disorderly conduct, violating rules of the Arizona House of Representatives and “damaging the institutional integrity of the House,” the House voted 46-13 on Wednesday to expel her from the chamber. A two-thirds majority is necessary to expel someone from the chamber.

“I stand on honesty and integrity,” Harris told members of the media as she left the chamber on Wednesday. “God knows the truth. If you don’t toe the line, this is what happens.”

Although he said it wasn’t personal, House Speaker Ben Toma, one of the lawmakers implicated in the unproven bribery scheme, voted to expel Harris.

“The only thing we have down here is our word and our integrity, and when that is clearly crossed, when you can no longer count on someone’s word or integrity, they can no longer be an effective legislator,” Toma said after the vote. “They cannot represent their district well, they cannot be part of anything significant. As difficult as it was, it was just the inevitable and also the right thing to do.”

Toma also pointed out that Harris repeatedly lied to the House Ethics Committee.

While Harris claimed during the Ethics Committee hearing that no criminal allegations were made during Jacqueline Breger’s Feb. 23 presentation to the House and Senate elections committees, the panel rejected that claim, finding that the evidence contradicted Harris’s testimony.

Republican Rep. David Livingston, of Peoria, one of the members who voted to oust Harris, urged his colleagues to consider the vote with the weight it deserved.

“This comes down to the integrity, in my opinion, of this institution,” he said. “This is not personal — this is standing up for what’s right, no matter how difficult it is. And it hurts. And it should hurt. And it will hurt. This institution is more important than us individually.”

Harris’ replacement will be determined by the District 13 precinct committeemen and the Maricopa County Board of Supervisors. The precinct committeemen have five days to nominate three possible replacements, to ultimately be chosen and appointed by the county board.

Harris faced the House Ethics Committee on March 30, after members asked for her to be formally censured for inviting insurance agent Breger to a Feb. 23 joint House and Senate elections committee meeting.

Breger provided no proof of her wild and unfounded allegations, including that Democratic Gov. Katie Hobbs was involved in the money laundering scheme, but that didn’t stop them from spreading like wildfire, fueled by fringe conservative media. Many members of the legislature in her party soon distanced themselves from Harris and Breger’s presentation.

The Ethics Committee found that many of the claims that Harris made during its hearing were untrue, including that she was not aware that Breger would make criminal allegations during her presentation, and that she was surprised by the content of Breger’s presentation.

Scottsdale Rep. Alexander Kolodin, who was present for the Feb. 23 elections committee meeting, said that while he was disappointed in Harris’s actions, he does not believe expelling

her was the right call.

“This makes her a martyr for these awful allegations,” Kolodin said. “It’s setting the precedent that, if you rock the boat too much, you will be expelled.”

Rep. Joseph Chaplik, who heads the Ethics Committee that recommended Harris be punished, also voted against her expulsion.

Minority Leader Andres Cano thanked the Ethics Committee and Toma for taking this matter seriously.

“This is a sad and somber day for our institution, but it is a necessary day,” Cano said. “This did real and lasting damage to the lives and reputations of people who did not deserve it.”

He voted to expel Harris, Cano said, with the hope of restoring integrity and honor to the House of Representatives.

The Arizona House last kicked out a legislator in 2018 when it expelled Republican Rep. Don Shooter because of a lengthy pattern of sexual misconduct, according to the Associated Press.

*"In civilized
life, law
floats in a
sea of
ethics."*

*—Chief Justice
Earl Warren*

**MEMBERS OF THE
LEGISLATIVE ETHICS
COMMISSION**

David Nicholas, Chair
Tanya Pullin, Vice Chair
Ernie Harris
Marie Rader
Katherine Gail Russell
Sal Santoro
Arnold Simpson
Anthony M. Wilhoit

**NEXT MEETING OF THE
COMMISSION**

The Kentucky Legislative Ethics Commission's next regular meeting is scheduled for Tuesday, May 9, 2023 at 9:30 a.m. Capitol Annex, Room 171 in Frankfort, Kentucky.

To watch the meeting online, click on:
[KY LRC Meetings - YouTube](#)

Training/Overview of the Code

Our lobbyist training video, which gives an overview of the Code and walks through the registration and online filing process step by step, is available on klec.ky.gov, and also on the LRC Capitol Connection page at <https://www.youtube.com/watch?v=nrqWW7sJDK4>

We also are happy to set up a training on request.

Our PowerPoint overview of the Legislative Ethics Code is available for reference on klec.ky.gov and also on the LRC Capitol Connection page at <https://www.youtube.com/watch?v=I4FJvhrSoao>

Legislators' Financial Disclosures

Kentucky legislators' required financial disclosures are available on the KLEC website at <https://klec.ky.gov/Reports/Pages/Legislators-and-Candidates.aspx>. Legislators must file their financial disclosures by February 15th, for the previous calendar year. We are pleased to report that all legislators filed timely.

Candidates for the General Assembly are also required to file a financial disclosure, and these are also at the same link.

To register as a lobbyist or employer, please email the scanned paperwork to Donnita Crittenden or Lori Smither or fax to (502) 573-2929. Blank forms may be found here:
<https://klec.ky.gov/Forms/Pages/Get-Blank-Forms.aspx>

Please contact us with any questions or concerns!

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Trivia Answer

The General Assembly enacted the code in 1993, in response to the BOPROT scandal. It's still considered to be one of the most effective in the nation.