

The Ethics Reporter

AUGUST 2022

KENTUCKY LEGISLATIVE ETHICS COMMISSION
22 MILL CREEK PARK
FRANKFORT KY 40601 (502) 573-2863
KLEC.KY.GOV

Updated registration statements due September 15th

Did you know?



All legislators and legislative candidates must file a statement of financial disclosure with KLEC. These are then posted on the KLEC website, at <https://klec.ky.gov/Reports/Pages/Legislators-and-Candidates.aspx>

Employers and legislative agents' next updated registration statements (expense reports) are due **September 15, 2022**, for the time period of May 1 to August 31, 2022.

If a legislative agent is hired by an employer, they must file an initial registration statement with the Commission within 7 days of engagement. Information required includes: name/address, nature of business, bill numbers if available or general description of legislative action for which the agent is engaged. The registration is valid until the December 31 of an odd-numbered year, unless previously terminated.

Thereafter, employers and legislative agents must file periodic updated statements detailing expenses, expenditures and financial transactions. These additional reports shall be filed 6 times per year, by January 15, February 15,



March 15, April 15, May 15, and September 15.

A searchable register of the employer and agent reports is available via the Commission's website, at

<http://apps.klec.ky.gov/searchregister.asp>

New lobbying employers for August

Several newly registered lobbying employers are:

Airbnb, Inc.; ALS Association; Beargrass Creek Conservatory; Behavioral Health Group; Bellarmine University; IBM Corporation; LHC Group, Inc.; People United for Privacy Foundation (PUFPF); Pikeville Medical Center; and Robert Alexander Center for Recovery.



Must legislators have ethics training?

Answer on page 4

Important reminder about legislative mailings

The Ethics Commission, in 2001, provided guidance for legislative mailings sent at public expense, so legislators and staff do not run afoul of the Ethics Code provisions against using public funds and facilities for partisan political campaign purposes. While each mailing would be judged on its own merits, under the guidelines, legislators and staff sending out mailings should avoid sending them within 60 days prior to an election, which would be **September 9, 2022**. The mailings should also take care to provide factual information and avoid campaign related content or overtly partisan rhetoric, and the mailing itself should generally be to constituents or others who've contacted the legislator. Questions about particular mailings should be addressed to the Ethics Commission staff. A copy of the guidelines are available on the Commission's website.



*“No man is above
the law and no man
is below it.”*

—Theodore Roosevelt

PAGE 2

Cincinnati launches new Office of Ethics and Good Government to rebuild ‘public trust’

OHIO-Spectrum News 1-By Casey Weldon-May 14, 2022

The City of Cincinnati endured one of its most difficult periods in government history two years ago as it watched one-third of City Council arrested on federal corruption charges. Federal prosecutors accused City Hall of having a “culture of corruption.” Public confidence was shaken.

Over the past two years and two administrations, the City of Cincinnati has worked to help reshape that image. And one way it’s doing so is through the creation of the Office of Ethics and Good Government. The office’s job is to educate and train elected officials and all city staff on ethics-related issues, ranging from conflicts of interest to campaign contribution matters. It also investigates suspected cases of impropriety submitted through a new hotline. The three-person office opened in January. It’s led by Christopher Liu, a longtime attorney in the city’s Law Department.

“This is something that we should have had a long time ago,” said Council member Greg Landsman, who proposed creating the new office. “In the wake of all the chaos and craziness of the past couple of years, we needed to do everything in our power to restore public trust.”

Landsman is the only current member of City Council or elected official at City Hall who was in office when federal agents arrested Tamaya Dennard, Jeff Pastor, and one-time mayoral frontrunner P.G. Sittenfeld. All the charges centered on taking bribes from developers looking to do business with the city.

Working to reestablish public trust

It was important for the city to take drastic steps to restore public confidence that the government was working fairly on the citizens’ behalf.

“We want people to look at City Hall and the changes and say, ‘OK, I trust this group; I trust this institution,’” Landsman said. “That’s what matters most.”

Landsman called the creation of the Office of Ethics and Good Government arguably the most important of the reforms because it established “real leadership and infrastructure” to ensure that whatever City Council passes is on the up-and-up.

As head of the department, Liu works alongside two paralegals, but they also have the support of the Office of Administrative Hearings, which handles things like rulings on city parking tickets and various city codes, including building and zoning codes, which are vital to the development process.

Another important reform was the creation of an Economic Development Reform Panel in December 2020. The panel came up with a number of ideas the Office of Ethics and Good Government will implement and follow up on. One was the creation of a “City Business List,” a publicly available document that shows the “financially interested persons” associated with development projects making their way through the legislative process at City Hall.

The goal is to promote transparency and help avoid conflicts of interest. Placing

all that information on an online web portal will allow the public to know what development deals are in front of City Council and who has a financial stake in the outcome of that vote, Liu said.

Anyone on that list can’t donate to political campaigns to city elected officials while their motion is before City Council. Likewise, the mayor and members of City Council won’t be able to solicit donations from anyone on that list. Office staff have worked on the portal since its inception in January, Liu said. They’re actively working to get it up and running.

To promote awareness of City Business List disclosure process, the Office of Ethics and Good Government will host a pair of hour-long public information sessions and workshops at City Hall.

Liu’s team also oversees a “Ethics, Fraud, Waste & Abuse” hotline — both a phone number and a website — for residents or city employees to “safely and anonymously” report any concerns they might have. They’ll also investigate any complaints.

Liu and his team will handle training on Ohio ethics law across all city offices and departments. One of the biggest challenges is avoiding potential conflicts of interest.

The new training covers a lot of different scenarios. Liu described the job-specific training to “meet people where they are” and to focus specifically on the most common pitfalls they might come across in their actual jobs.

Florida Power & Light operates an exclusive, invite-only lounge for lawmakers and lobbyists

FLORIDA-Politico-By Matt Dixon and Bruce Ritchie-August 2, 2022

Consider it Tallahassee's version of the fabled smoke-filled backroom.

Florida Power & Light, one of the state's most politically powerful companies, operates an event space located on the third floor of the company's \$2 million, 13,000 square foot downtown Tallahassee offices. The building is nondescript and includes no signs that would indicate it's owned by one of the largest power companies in the country. The third floor of the building, where the bar is located, has a series of large shutters that make its outdoor patio area impossible to see from the street level.

The exclusive lounge is used by company officials to host lobbyists and the lawmakers whose votes they need, according to more than six people familiar with the space.

"I have been invited to meetings and events at their offices and I follow the gift laws," said state Rep. David Silvers. Florida Power & Light confirmed they utilize the space following inquiries by POLITICO.

"Just like many other companies, trade associations and other organizations in Tallahassee, NextEra Energy, FPL's parent company, pays for a private meeting place in the city that's used for internal and external company functions," said Chris McGrath, a spokesperson for Florida Power & Light. "This space has been used for a number of years and all external functions conducted in the space are done in accordance with applicable laws."

"Any applicable costs are paid for by NextEra Energy — not FPL customers," he added.

Revelations of the party space, which has not previously been reported, come as the company is mired in scandals over its aggressive approach to lobbying and public advocacy. Among the most recent disclosures: The company tried to covertly influence state elections and set up news sites to attack critics and further its political agenda. Six people who have visited the bar on multiple occasions describe it as one of the nicest venues in the city's downtown, which is lined with upscale lounges that cater to the political class. Yet Florida Power & Light's venue remains all-but unknown to the general public. Several of the people said it's frequented by powerful lawmakers and staff, most of whom are considered backers of FPL's legislative agenda and are responsible for crafting legislation directly involving Florida Power & Light. They were granted anonymity to discuss the event space because they feared speaking out against the powerful company. Some work on Florida Power & Light's contract lobbying team and are not authorized to speak to the media.

"That's its purpose, it's the 'friends of the FPL program' that are invited," said one person who has attended the bar multiple times. "If you're there you probably are already with them." State Rep. Anna Eskamani, one of FPL's biggest critics, said the energy company's exclusive lounge raises concerns that Florida Power & Light is illicitly influencing lawmakers and violating the state's gift ban and open meetings laws, which require public notice of gatherings when lawmakers discuss legislative

business.

"I don't understand why any electricity company needs a private, invite-only lounge for lawmakers that is next to the Florida Capitol," Eskamani said. "Not only could this be a serious violation of Sunshine Laws and the legislature gift ban, but it all feeds into our collective concern that FPL uses corrupt business practices to influence politicians, buy out media outlets, and undermine democracy."

"All while increasing utility rates on consumers," she added. One lobbyist who has been to the bar on multiple occasions described the location as having a "high-end fully stocked bar, big TV, fireplace I believe, a bunch of plush leather couches and a mix of FPL employees, lobbyists and legislators." The bar itself is 1,278 square feet, and the space includes a separate 548 square foot lounge and an additional outdoor bar, according to city blueprints of the building reviewed by POLITICO.

State Rep. Randy Fine said he has been to FPL's bar but disagrees that it's swankier than other bars. He said it's just a place for people to talk mostly about politics in private.

"I have been there, yes, but there are lots of groups that have stuff like this," Fine said. "When you are in Tallahassee and want to meet with folks, your options are limited and extremely limited to talk about politics. If I want to talk about legislation, I can invite people to my office, but it's different with politics. You have to go to their offices."

He said there is usually a container at the location for guests to slip in money, and he "always

pays."

Florida Power & Light and its affiliates don't have a liquor license at the location, according to a spokesperson for the Department of Business and Professional Regulation, which regulates state liquor licenses.

McGrath, the FPL spokesman, did not respond to follow-up questions about whether there is a policy or requirement to ensure visitors and others adhere to Florida's gift ban, which prohibits lobbyists from providing drinks, food or entertainment to lawmakers or their staff. He also would not answer questions about whether FPL has a liquor license, which would be needed to sell liquor.

MEMBERS OF THE
LEGISLATIVE ETHICS
COMMISSION

David Nicholas, Chair
Tanya Pullin, Vice Chair
Sheldon Baugh
Ernie Harris
Katherine Gail Russell
Arnold Simpson
Anthony M. Wilhoit

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=ojKIWUNV8po&feature=youtu.be>

We also are happy to set up a training on request! Just contact us.

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>. Feel free to watch!

To register as a lobbyist or employer, please email the required 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!

Laura Hendrix
Executive Director
Laura.Hendrix@lrc.ky.gov
(502) 573-2910

Donnita Crittenden
Executive Assistant
Donnita.Crittenden@lrc.ky.gov
(502) 573-2863

Emily Dennis
Counsel
Emily.Dennis@lrc.ky.gov
(502) 573-2911

Lori Smither
Staff Assistant
Lori.Smither@lrc.ky.gov
(502) 564-9084

KENTUCKY LEGISLATIVE ETHICS COMMISSION

22 Mill Creek Park
Frankfort, Kentucky 40601

Phone: 502-573-2863
Fax: 502-573-2929

Website
KLEC.KY.GOV

Trivia Answer

Yes. The Ethics Code requires 2 hours of current issues ethics training per year for legislators, and also requires new legislators to have a 2 hour ethics course.