

**ETHICS REPORTER**

**December, 2021**

Kentucky Legislative Ethics Commission

22 Mill Creek Park, Frankfort, Kentucky 40601-9230

Phone: (502) 573-2863

<http://klec.ky.gov>

***Mandatory Ethics Training on January 5th for all General Assembly members***

The 2022 Current Issues ethics training session for members of the General Assembly will be held on Wednesday, January 5, 2022. The 2 hour session will start at 9 a.m. and will last until 11 a.m., and legislators may attend in person in Annex Rooms 169 or 149, or virtually on Zoom. The members have been provided with the Zoom login and further important details via email. The Ethics Code requires all legislators attend this 2-hour Current Issues Seminar each year.

***Two-year registration for lobbyists and employers opened on December 1, 2021-all must re-register by December 31, 2021***

All employers’ and legislative agents’ registration with the Legislative Ethics Commission will ***expire*** on December 31, 2021.  Check the Ethics Commission’s website [**http://klec.ky.gov/**](http://klec.ky.gov/) for the Initial Registration Statement for the two-year period beginning January 1, 2022 and ending on December 31, 2023.   An email was sent out in mid-November with instructions and forms attached.

**Beginning December 1, 2021**, the Commission began accepting completed registrations.  Initial registration forms CANNOT be filed online.

A registration fee of $250 must be paid by the employer of one or more legislative agents.  This fee may be paid by cash, check, Visa, MasterCard, American Express, or Discover.  If the registration is mailed with a check, the check should be payable to **Kentucky State Treasurer**.

If paid by credit card, the registration may be faxed, or scanned and e-mailed, along with the completed credit card form.  The Initial Registration Statement may be copied.

**Please remember the employer must sign the registration form of each legislative agent.**  If more information is needed, please contact the Commission at (502) 573-2863, or e-mail [Donnita.Crittenden@lrc.ky.gov](mailto:Donnita.Crittenden@lrc.ky.gov)

***Year-end spending reports due by January 18***

**Tuesday, January 18, 2022** is the next reporting deadline for lobbying entities, and all lobbyists and employers are required to file Updated Registration Statements then, for the period of **September 1** through **December 31, 2021.**

The easiest and quickest way for lobbyists and employers to file is to visit the Commission’s website <https://apps.klec.ky.gov/lec/onlinefiling.aspx> and file online.

Additionally, reporting entities are reminded that they are required to report the specific bill numbers that they are lobbying on, as required by the Legislative Ethics Code, if those numbers are available. If your reports have not adequately reflected bill numbers in the past, please make every effort to reflect bill numbers in updated registration statements going forward.

***Reminder to legislative agents, employers, legislators and legislative candidates regarding campaign contributions***

Legislative agents, employers, legislators, and legislative candidates need to pay particular attention to the Ethics Code requirements regarding campaign contribution, as the election season for the Kentucky Legislature begins.

Members of the General Assembly, and candidates for the General Assembly, are prohibited from accepting a campaign contribution from a registered legislative agent (lobbyist), at any time. Legislative agents may not make a campaign contribution to a sitting member of the General Assembly, nor a candidate for General Assembly, or their campaign committee, and may not serve as a campaign treasurer, nor directly solicit, control, or deliver a campaign contribution, for a candidate or legislator.

Legislators and legislative candidates are prohibited from accepting a campaign contribution from an employer of a legislative agent or from a PAC during a regular session of the General Assembly. During a regular session, an employer of a legislative agent shall not make a campaign contribution to a legislator, candidate, campaign committee for a legislator or candidate, or caucus campaign committee. The in-session prohibition on employer campaign contributions applies to the individual who is listed as the employer contact person. The in-session prohibitions do not apply to candidates for a special election during the regular session.

Please call us if you have any questions regarding these provisions.

***Reminder-Candidates, legislators and major management personnel***

Sitting members of the General Assembly and major management personnel with the legislative branch must file their financial disclosures by **February 15, 2022**. Candidates (non-sitting members of the General Assembly) must file their financial disclosures no later than 21 days after the filing deadline for office. Copies of the required form are available at the Legislative Ethics Commission website at: <https://klec.ky.gov/Forms/Pages/default.aspx> Sitting legislators’ disclosures are currently online on the Commission’s website at <https://klec.ky.gov/Reports/Pages/Legislators-and-Candidates.aspx>, and candidate forms will be posted there as well once they are available.

***Training for Lobbyists and Employers on video***

The Legislative Ethics Commission has a training video from one of our in-person lobbyist and employer trainings on the LRC Capitol Connection YouTube page, for viewing at any time. The link is on our website, and also on the LRC Capitol Connection page at <https://www.youtube.com/watch?v=ojKIWUNV8po&feature=youtu.be>. The video walks through the online filing process in step-by-step detail. Please call us with any questions!

***Overview of Legislative Ethics Code online***

The Legislative Ethics Commission has a PowerPoint overview of the Legislative Ethics Code available for reference. The link is on our website, and also on the LRC Capitol Connection page at <https://www.youtube.com/watch?v=I4FJvhrSoao>. Feel free to watch!

***Commission Office Procedures and COVID-19***

#### Following guidance from federal, state, and local officials regarding the COVID-19 pandemic, the Commission halted in-person services at its Frankfort office as of Tuesday, March 17, 2020.

#### As of **July 1, 2021**, the Commission office re-opened its office to the public. We request that you wear a mask when visiting our office. Also, we would be happy to speak to you over the phone or via Zoom.

We encourage you to continue to contact us via the means listed below, and by filing electronically or by scanning paperwork and emailing it to us. If you need to send the Commission copies of paperwork, it is most efficient to scan and email it to the email addresses as listed on the staff page, or fax to the number below.

Legislators, staff, lobbyists, employers, and the public may continue to contact the office by phone at (502) 573-2863, by fax at (502) 573-2929, and via the email addresses listed on the staff page: <https://klec.ky.gov/About-KLEC/Pages/Commission-Staff.aspx>

You may reach Laura Hendrix, Executive Director, at (502) 573-2910, Emily Dennis, Counsel, at (502) 573-2911, and Lori Smither, Staff Assistant, at (502) 564-9084. You may reach Donnita Crittenden, Executive Assistant, at the main Commission number (502) 573-2863.

#### Continued thanks to the many lobbying entities who have honored our request to begin filing online, and those who have utilized this service for many years. If a lobbyist or employer is currently filing disclosures by paper and would like to file online, please email us and we can contact you with an ID and password.

#### If an entity needs to register as a lobbyist or employer, please email the required scanned paperwork to Donnita Crittenden or Lori Smither at the staff emails in the link above or fax them to (502) 573-2929. Blank forms may be found here <https://klec.ky.gov/Forms/Pages/Get-Blank-Forms.aspx>

#### All provisions of the Code of Legislative Ethics are in force during this time. If there is a need for an opinion about the application of the Code to any particular ethical issue that may arise, please continue to contact us and we will answer your questions.

***Ethics & Lobbying News from around the U.S.***

***Legislative ball starts rolling on additional lobbying restrictions for former officials-restrictions will soon increase from two years to six years***

**FLORIDA**– ***Florida Politics.com*** – by Renzo Downey – November 30, 2021

Lawmakers have set in motion provisions to further restrict public officials like lawmakers from lobbying in the years after leaving office.

The House Public Integrity and Ethics Committee approved two proposed committee bills (PIE 22-01 and PIE 22-02) to implement 2018’s Amendment 12, which places business and lobbying restrictions on former lawmakers. Penalties under the measures include fines up to $10,000 and forfeiting money earned from illegally lobbying. Violators could also receive public censure or reprimand.

The first measure would extend, from two years to six years, the time in which lawmakers and state agency heads must wait after leaving office before lobbying legislators and other statewide elected officials. The change would also prohibit public officials, while in office, from lobbying government agencies for compensation or lobbying the Legislature on such things as policies, appropriations and contracts.

The second proposal puts similar prohibitions on former judges and justices.

Tampa Rep. Tracie Koster, a member of the committee, is carrying the provisions. During earlier committee meetings, the panel discussed the language — including definitions for lobbying, compensation, and legislative actions.

In the 2020 Legislative Session, lawmakers passed a bill (HB 7009) to help carry out the 2018 constitutional amendment, intended to slow the revolving door involving public officials and the private sector. The first part of the amendment took effect on New Year’s Eve 2020.

The two parts of the amendment discussed Tuesday aren’t set to become law until Dec. 31, 2022.

The Florida Commission on Ethics would be asked to investigate and determine whether former officials violated the lobbying restrictions.

In a budget workshop last month, commissioners on the ethics panel agreed to ask lawmakers to continue its current funding level, which amounts to $2.7 million. However, Commissioner Don Gaetz raised concerns that the team is understaffed, making it challenging to eat into the existing accumulation of ethics cases that will only grow as the lobbying amendment continues taking effect.

“In my conversations with Senate leadership this past week,” Gaetz said in October, “I believe our workload will increase based on where at least some in the Legislature, in the leadership, think that implementation will go.”

***Rensselaer County Executive Steve McLaughlin arraigned in state probe-politician faces felonies over the alleged misuse of campaign funds***

**NEW YORK**– ***Albany Times Union***– by Kenneth C. Crowe II and Brendan J. Lyons-December 1, 2021

Rensselaer County Executive Steve McLaughlin stands accused of misusing campaign funds and falsifying campaign finance filings after a judge on Wednesday unsealed an indictment emerging from a long-running investigation by the state attorney general's office and the FBI.

McLaughlin was indicted on two felony counts, grand larceny and offering a false instrument for filing. The [state attorney general's probe](https://www.timesunion.com/state/article/McLaughlin-to-face-criminal-charges-in-attorney-16662226.php)began as an investigation of his 2017 campaign for county executive and also examined his financial dealings when he was a member of the state Assembly.

McLaughlin allegedly stole $5,000 in funds from his campaign account on Nov. 21, 2017 — just weeks after winning election to his county post — and then falsely reported the expense in campaign documents filed with the state Board of Elections.

According to the charges, McLaughlin wrote a check from his campaign account to Hudson Valley Strategies, a consulting firm owned and operated by his closest confidant, Richard W. Crist, who is the county's director of operations. Crist allegedly deposited the check in his firm's bank account and then drafted a new check — for $3,500 — that he brought to McLaughlin's former campaign treasurer, Jennifer R. Polaro, who had previously worked as McLaughlin's chief of staff in the state Assembly.

Crist, according to the indictment, delivered the payment to Polaro at a State Police barracks in Sand Lake. At the time, Polaro and McLaughlin had recently had a falling out; she claimed that he owed her money as well as a laptop and iPad that she had loaned to him. Polaro had gone to the barracks, in part, because McLaughlin had accused her of harassing him, and she had countered that he owed her money.

A trooper, apparently unaware of the origin of the funds, facilitated the exchange between Polaro and Crist.

In the weeks preceding the transaction, Polaro had learned that McLaughlin was not intending to set her up with a job with his new administration in Rensselaer County. Although they had worked closely together for several years, McLaughlin and Polaro also had a fiery relationship.

Two months before the alleged payment from the campaign funds was made, the Times Union had reported that[Polaro had accused McLaughlin of roughing her up at his Brunswick residence](https://www.timesunion.com/news/article/Aide-accused-state-assemblyman-of-roughing-her-up-12168087.php).

In an audio recording of the incident obtained by the Times Union, Polaro warned the then-assemblyman that at least two neighbors may have witnessed an argument between them. The Times Union did not name Polaro at the time.

“You put your hands on me for the last time today,” she could be heard telling McLaughlin on the recording. “Did you ever think I was going to let you beat me up and get away with it?”

McLaughlin responded, “I didn’t touch you. I didn’t (expletive) touch you.” His campaign later produced a recording in which Polaro recanted the allegations — though she subsequently told the Times Union she had been pressured to do that.

McLaughlin arrived in the courtroom for his arraignment at around noon Wednesday in front of Judge Jennifer Sober. The newly reelected county executive, who was represented by attorney Benjamin W. Hill, has until Jan. 17 to enter a plea. He was released on his own recognizance.

McLaughlin didn't speak during the proceedings before Sober. He rushed from the courtroom without responding to reporters' questions. The Times Union first reported Tuesday on the likelihood that [criminal charges would be filed against him](https://www.timesunion.com/state/article/McLaughlin-to-face-criminal-charges-in-attorney-16662226.php).

The Rensselaer County Legislature's minority leadership called for McLaughlin to resign, while the majority chairman legislature stuck by him.

"I think he should step down. It's a public trust issue.," Minority Leader Peter Grimm said.

County Legislature Chairman Michael Stammel said, "He's still innocent until proven guilty."

The investigation has been in the backdrop of the county's rough-and-tumble political community since it began in 2019.

It was anticipated McLaughlin would face legal action in the spring of 2020, but the coronavirus pandemic shut down the state court system, halting grand jury presentations.

Members of the attorney general’s public integrity unit last month presented their case to a county grand jury, which returned the indictment.

As part of the same investigation of McLaughlin, Polaro was arrested by the State Police on March 11, 2020, and charged with a misdemeanor larceny charge over an incident in Schenectady in March 2017. A person briefed on the investigation, but not authorized to publicly comment, said the charge against Polaro stemmed from an ATM withdrawal that had been made at Rivers Casino that month from a campaign account.

[The Times Union reported in January 2020](https://www.timesunion.com/news/article/Criminal-probe-of-top-Rensselaer-County-officials-14978251.php) that the investigation had also examined whether McLaughlin, 58, had given bonuses or pay increases to former staffers in the state Assembly in exchange for them returning some of the funds to him or using the money to donate to his campaign account, according to multiple people who were interviewed by investigators. But there are no charges related to those allegations.

Under state law, McLaughlin — whose second term begins in January — would have to leave office if he's convicted of a felony.

He would be succeeded by the deputy county executive until a special election could be held. Stacey A. Farrar, the director of budget, is the current deputy county executive.  Some have speculated that she may be replaced by Jim Gordon, the county director of purchasing and a McLaughlin confidant. Gordon is a North Greenbush councilman-elect and a former Troy councilman whose unsuccessful 2015 campaign for Troy mayor was rattled by the disclosure that his [wife called 911 during a domestic disturbance at the couple's Lansingburgh residence](https://www.timesunion.com/local/article/Troy-councilman-s-wife-said-husband-held-me-down-6579240.php).

[McLaughlin was a four-term state assemblyman when he was first elected county executive](https://www.timesunion.com/news/article/McLaughlin-I-m-the-boss-of-Rensselaer-County-14803000.php) in 2017. In the Assembly, he maintained a small staff that at times included members of his campaign team, including Polaro, who was his former longtime campaign treasurer, and Nick Wilock, who served as his Assembly campaign manager and remains employed as an aide in that chamber. Polaro and Wilock each served as McLaughlin's chief of staff at different times.

The investigation by the FBI and state attorney general's office had also focused on Crist. Neither he nor his attorney could be reached for comment.

In March 2019, Crist was placed on leave from his $105,000-a-year county job — with McLaughlin's consent — after the Times Union reported that he was a focus of the criminal investigation. Crist returned to work five months later, and people close to him had claimed the probe had found no wrongdoing.

***New York ethics panel wants former Gov. Cuomo to turn in the cash from his book deal***

**NEW YORK**– ***National Public Radio*** – by Vanessa Romo -- December 14, 2021

When former New York Gov. Andrew Cuomo set out to pen his latest memoir, he promised it would have nothing to do with the ins and outs of his role as the state's leader. He also pledged to write it on his own time and without tapping into any of the state's vast resources.

But New York's Joint Commission on Public Ethics says that's not at all what happened and on Tuesday, the commission voted overwhelmingly to require Cuomo to turn over proceeds from the 2020 book, *American Crisis: Leadership Lessons from the COVID-19 Pandemic.* Cuomo's book deal is reported to be worth more than $5 million.

Members voted 12 to 1, spokesman Walter McClure told NPR.

The resolution states Cuomo has 30 days to return "an amount equal to the compensation paid to him" for the memoir. And, if he fails to make a timely payment, "enforcement of such order is hereby referred to the Attorney General."

Meantime, Cuomo's lawyer has vowed to fight the ethics commission's collections demands.

"JCOPE's actions today are unconstitutional, exceed its own authority and appear to be driven by political interests rather than the facts and the law," Jim McGuire, a lawyer for the disgraced governor said in a statement. "Should they seek to enforce this action, we'll see them in court."

The book deal came under scrutiny by the Attorney General's Office after allegations first surfaced that Cuomo had improperly used state resources for the project, following reports that some of his top aides and staffers had participated in fact-checking sessions at the Governor's Mansion in Albany.

In November, the ethics commission ruled that he had violated the terms of the agreement and revoked their approval. They determined the governor had used state property as well as personnel and staff volunteers in the preparation and writing of the book. They also said the published book is not in compliance with terms under which he sought their approval; the memoir as initially pitched by Cuomo was supposed to be broadly about his life in politics, but instead it "is substantially related to his job responsibilities."

According to the commission, Cuomo also misrepresented where he was in the process of writing and selling the book when he first approached the JCOPE for its approval. In his application for approval, Cuomo indicated he was "seeking to author a book in the very near future." But in reality, "the Book was completed or substantially completed prior to the issuance of the Conditional Approval Letter," the commission says. Additionally, Cuomo had also withheld information that he had already finalized the financial and payment terms of the book deal he had negotiated.

Cuomo was initially cagey about how much he'd been paid by Crown Publishing Group, an imprint of Random House, saying he'd reveal the amount in his annual financial disclosure forms. According to *The New York Times*, he had an agreement to be paid just over $5.1 million in total, including an initial payment of $3.12 million in 2020.

After taxes and expenses, the Democrat & Chronicle reports, Cuomo's net income of that was about $1.5 million last year. And much of that is already gone. The newspaper reports Cuomo donated $500,000 to the United Way and "put the remaining $1 million in a trust for his daughters, according to documentation provided by his office."

It is unclear how JCOPE plans to recoup that money.