

**ETHICS REPORTER**

**February, 2021**

Kentucky Legislative Ethics Commission

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***Lobbying spending in first month of 2021 close to 2019’s record for an odd-year session***

Although the General Assembly’s 2021 regular session is a short 30-day one, and the legislature only convened for 4 legislative days during that month, January 2021 lobbying spending hit $2.17 million, nearly matching that of the last odd-year January record total of $2.2 million in 2019, and equaling that of January, 2017. The pandemic seems not to have affected the pace of spending, thus far this year.

617 legislative agents and 747 employers are currently registered to lobby the General Assembly.

2021's top spender thus far is the **Kentucky Education Association**, which spent $77,123 last month, the majority of that amount, $71,539, on advertising regarding legislation. **Kentucky Chamber of Commerce** was second, spending $35,430 on lobbying the General Assembly, followed by the rest of the top 5: **Keeneland Association** ($28,550); the **American Civil Liberties Union of Kentucky** ($27,367); and **Altria Client Services** ($25,686).

The rest of the top 20 spending entities are: **KY Justice Association** ($21,497); **KY Hospital Association** ($15,238); **Greater Louisville Inc.** ($15,000); **KY Association of School Administrators** ($15,000); **KY Retail Federation** ($14,418); **KY Equine Education Alliance** ($14,021); **KY League of Cities** ($13,632); **Anthem Inc. and its Affiliates** ($13,500); **CSX Corporation** ($12,750); **CVS Health** ($12,083); **Heaven Hill Distilleries** ($12,000); **Westlake Chemical Corporation** ($11,500); **LG&E and KU Energy LLC** ($11,475); **New Venture Fund** ($11,309); and **HCA Healthcare Inc.** ($11,208).

***Newly-registered lobbying employers & terminations***

The following businesses and organizations recently registered to lobby in Kentucky**: Accelecom**; **Air Methods Corporation**; **American Kennel Club**; **American Resources Corporation**; **Association of Equipment Manufacturers**; **Atlantic Bingo Supply**; **Aurinia Pharma US**; **Barr Media**; **Bluegrass Ingredients Inc.**; **BusPatrol**; **Chewy Inc.**; **Foundation for Individual Rights in Education**; **Giffords**; **KY Jailers Association**; **Mackinac Center**; **National Auto & Travel Association**; **National Vote at Home Coalition**; **Neurocrine Biosciences Inc.**; **Owl’s Head Alloys, Inc.**; **Paristown Preservation Trust LLC**; **Pearl Medical Practice LLC**; **Self Storage Association**; **SmileDirectClub**; **Universal Guaranty Life Insurance Co.**; **Woodford Forward Inc.**

Several businesses and organizations terminated their registration, and are no longer lobbying the Kentucky General Assembly: **AFLAC**; **DC Elevator**; **Deciphera Pharmaceuticals**; **Innocence Project**; **KY Concrete Association**; **Key Assets Corporation**; **March of Dimes**; **Messer Construction**; **Payment Alliance**; **Synergy Rehabilitation**; and **Terrace Metrics**.

***Lobbying report deadlines***

By **Monday, March 15, 2021** all lobbyists and employers are required to file Updated Registration Statements for the period of February 1 through February 28, 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> .

#### ***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***

#### Due to the current COVID-19 pandemic and following guidance from federal, state, and local officials, the Commission halted in-person services at its Frankfort office as of Tuesday, March 17, 2020. Email notifications were made to legislators and staff, as well as lobbyists, and employers, and a notice was placed on the Commission’s website and office door.

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 .

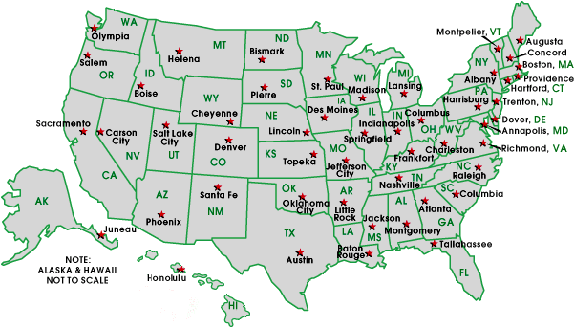
#### Additionally, new lines for direct access to Commission staff have been added. You may reach Laura Hendrix, Executive Director, at (502) 573-2910, and Emily Dennis, Counsel, at (502) 573-2911. You may still reach Donnita Crittenden and Lori Smither at the main Commission number, (502) 573-2863.

#### If you need to send the Commission copies of paperwork, please scan and email it to the email addresses as listed on the staff page, or fax to the number above.

#### 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.***

***Wisconsin wildlife officials ate $20,000 of illegal caviar, prosecutors say. Now the ‘sturgeon general’ faces charges.***

**WISCONSIN** – ***Washington Post***-- by Antonia Noori Farzan *–* February 18, 2021

Deep in the frozen heart of Wisconsin, state wildlife officials allegedly dined like oligarchs, feasting on tens of thousands of dollars worth of caviar and passing around jars of the prized delicacy at team meetings.

Meanwhile, some of their colleagues were working undercover to expose the long-running scheme responsible for the lavish spread, and tipping off federal authorities to a world of clandestine after-hours meetings at state laboratories and five-gallon buckets filled with gleaming fish roe.

The extensive three-year investigation resulted in the arrest of the state’s top sturgeon expert last week. Ryan P. Koenigs, nicknamed the “sturgeon general” by local television stations, allegedly obtained at least $20,000 worth of caviar in a single year while holding down an otherwise unglamorous post as a biologist for the Wisconsin Department of Natural Resources. He faces charges of misdemeanor theft for illegally trading sturgeon eggs, as well as obstructing an investigation by a conservation warden.

Caviar is made from curing the eggs of wild sturgeon, a threatened species in many parts of the world. Typically, harvesting the massive, prehistoric fish is off-limits for recreational anglers — with one major exception. During the month of February, Wisconsin allows a limited number of residents to build makeshift shanties on frozen Lake Winnebago, near Oshkosh, where they plunge spears into the icy depths and pull up lake sturgeon that can weigh more than 100 pounds and yield hundreds of thousands of dollars worth of caviar.

Under state law, spear fishermen are entitled to keep any caviar from their catch, but can’t sell it. And many prefer the thrill of the hunt to the taste of briny fish eggs. But DNR staffers had developed a taste for the pricey appetizer, and according to a criminal complaint, Wisconsin game wardens had a long-standing directive to collect eggs for “research purposes” whenever anglers said they didn’t plan to process and eat them.

While some of the wardens told investigators they were under the impression that those eggs were being used for a scientific study, other wildlife officials said that the scheme was primarily intended to ensure that DNR employees had a steady supply of caviar that would cost upward of $100 per ounce in stores. The arrangement dated to at least 2011, before Koenigs was in charge.

“Basically we distributed among ourselves and had a good old time with it,” DNR fisheries supervisor Kendall Kamke told a warden, according to the affidavit.

The affidavit indicates that some game wardens repeatedly expressed concerns about the scheme, which went against an ethics policy requiring sturgeon roe that wasn’t being used for research to be destroyed so that DNR employees didn’t appear to be “personally benefiting from their position.” But staffers in other roles expressed an unwillingness to let perfectly good caviar go to waste.

Others benefited from the arrangement, too, officials said. Working undercover with agents from the U.S. Fish and Wildlife Service, game wardens found that other DNR employees were also illicitly funneling sturgeon eggs to locals willing to turn the roe into caviar in exchange for a share. One former state fisheries biologist became a caviar processor after retiring, and began making “after hours” visits to a state laboratory to pick out the best-looking eggs. The former scientist, who has not been charged, kept a third of the finished product for himself and gave the rest to DNR staff, who would “keep the eggs for personal use, eat some at team meetings, and put some out at registration stations or nearby bars,” according to the complaint.

As a result of the sweeping investigation, authorities also filed criminal charges against a pair of octogenarians and the owner of a lakefront bar popular with ice fishermen. All three are accused of receiving caviar as payment for processing sturgeon eggs, violating the ban on bartering or trading the valuable roe. It wasn’t immediately clear if any had attorneys.

Koenigs, who allegedly lied to investigators about the caviar scheme and attempted to destroy potential evidence from a state-issued cellphone, has been placed on administrative leave, according to the Associated Press. His attorney told the New York Times that he intends to plead not guilty.

***Cash in a paper bag: North Jersey pols indicted in ‘old-school political corruption’ case.***

**NEW JERSEY** – ***The Record, Bergen County***-- by Terrance T. McDonald *–* February 17, 2021

Four New Jersey politicians hit with bribery charges in 2019 have been indicted by a state grand jury as part of alleged schemes to take tens of thousands of dollars in bribes masked as campaign contributions — in one case a literal paper bag filled with cash.

The defendants are accused of promising a tax attorney that they would vote to award his firm public contracts in exchange for the illegal contributions, according to state Attorney General Gurbir Grewal. The tax attorney was a cooperating witness working for Grewal’s office.

The defendants include Sudhan Thomas, a former Jersey City school board president; Jason O’Donnell, an ex-state assemblyman and Bayonne councilman; former Morris County Freeholder and Parsippany Councilman John Cesaro; and ex-Mount Arlington Councilman John Windish.

The grand jury indicted all four on second-degree bribery charges, while Thomas, Cesaro and Windish were indicted on official misconduct and other charges.

“The conduct alleged in these indictments is old-school political corruption at its worst — the kind that erodes public faith in government and that we are determined to root out,” Grewal said in a statement.

The tax attorney at the center of this case has never been publicly identified by Grewal’s office, but it is widely known to be Matt O’Donnell. O’Donnell — no relation to the indicted Jason O'Donnell — ran a now-shuttered Morristown law firm that raked in millions from contracts with towns all over New Jersey while his law partner and her family and friends made campaign contributions to politicians in those towns. The partner, Elizabeth Valandingham, was charged by Grewal's office in June with overseeing this alleged straw donor scheme that involved five people close to her.

The allegations represent cartoonish examples of the kind of public corruption for which New Jersey is infamous. Grewal's office alleges that Thomas, after promising to make the cooperating witness the special real estate counsel for Jersey City's school district in exchange for $35,000 in bribes, told the witness, "Nobody questions anything." Thomas also faces a slew of federal charges that allege he embezzled tens of thousands of dollars from a federally funded Jersey City nonprofit that helps connect poor people with jobs.

Thomas' attorney declined to comment.

Jason O'Donnell was running to become Bayonne's mayor at the time of the alleged bribe. Grewal's office alleges the witness offered $10,000 in "street money" for O'Donnell's promises to make him Bayonne's "tax guy." O'Donnell pleaded not guilty in Hudson County on Tuesday. His attorney was not available to comment.

Cesaro is accused of taking $12,350 in bribes for his mayoral run in Parsippany and promising tax work for the witness. Windish was a councilman in Mount Arlington, where Matt O'Donnell was once the longtime borough attorney. Windish is accused of taking $7,000 in exchange for promising to vote in favor of O'Donnell's reappointment.

Attorneys for Cesaro and Windish did not respond to requests for comment.

Mary Dougherty, a former Morris County freeholder candidate and wife of that town's mayor, was charged along with the four men in 2019. She has not been hit with a subsequent indictment, but Grewal's office said she continues to face the second-degree bribery charge from 2019.

***Cincinnati City Hall hopes new ethics panel will shore up public trust after council arrests.***

**OHIO** – ***WCPO***-- by Mariel Carbone *–* January 27, 2021

After three high-profile arrests involving City Council members accused of cutting crooked deals with local property developers, Cincinnati Mayor John Cranley has appointed an ethics panel to reevaluate the city’s official interactions with developers.

The need for the panel is depressing, Cranley said Wednesday.

Cranley appointed the members of the nine-seat panel, which includes former lawyers, judges, business leaders, political leaders, a pastor and a real-estate developer.

"We're in a deep hole in terms of public confidence,” added Councilman David Mann. “It's something that requires a meaningful and serious response."

One of the members of the ethics panel, Doug Schimberg, is a property developer who has donated to Cranley's political campaigns in the past. When a reporter asked Cranley if the developer's previous contributions also could present a conflict of interest, the mayor said, "The alleged corruption came out of City Council, not the mayor's office."

Cranley went on to elaborate that a developer's input on the panel is necessary.

"There's no way that the committee can comprehensively understand all the issues that are involved if they don't hear directly and have, I think, meaningful and quality input from a committee that knows all elements and all sides of these experiences," he said.

Cranley's nine appointees -- which still require confirmation from City Council -- are:

* Ann Marie Tracey (Chair): Former chair of the Ohio Ethics Commission; retired Hamilton County Common Pleas Court judge; professor emeritus, Xavier University; former assistant U.S. attorney for the Southern District of Ohio
* Verna Williams: Dean and Nippert professor of law, University of Cincinnati College of Law
* Alicia Bond Lewis: Partner, Dinsmore & Shohl LLP
* Dan Schimberg: President, Uptown Rental Properties, LLC
* Bobbi Dillon: Senior manager, State Government Relations, Procter & Gamble Co.
* KZ Smith: Senior pastor, Corinthian Baptist Church
* Bernadette Wilson: Retired public information officer, Cincinnati Department of Health; chief of staff, former Mayor Charlie Luken
* Tim Burke: President, Manley Burke LPA; former chairman, Hamilton County Democratic Party
* Guy Guckenberger: Hamilton County Municipal Court judge; former Cincinnati City Council member; former Hamilton County commissioner

The three council members arrested were Tamaya Dennard, who campaigned on the promise of bringing an un-stuffy, accessible politics to City Hall; Jeff Pastor,  who described himself as “New Age” [and] dedicated to fighting poverty; and P.G. Sittenfeld, once an apparent front-runner to succeed Cranley in the mayor’s office.

All three were accused of soliciting money in exchange for tipping City Hall’s scales in certain local developers’ favor. Downtown and the nearby riverfront are sought-after real estate; the three council members offered to give their would-be benefactors a competitive edge when their projects came up for a vote, according to the FBI.

Dennard resigned from City Council and later pleaded guilty to honest services wire fraud in federal court. Pastor and Sittenfeld remain suspended.

"We plan to do a 360-degree review of the development process in the city of Cincinnati,” said Ann Marie Tracey, the former Hamilton County judge and assistant U.S. attorney appointed to chair Cranley’s panel. “In so doing, we are going to be examining not only what the process is, but who the players are. …What changes might be necessary in the processes, whether there should be some suggested amendments to the city charter."

City Manager Paula Boggs Muething said the discussion will likely focus heavily on which parts of city government are allowed to interact directly with developers.

Currently, only the city administration negotiates with developers – meaning the mayor is allowed to speak directly to developers, but City Council members are not. Council decisions are purely legislative, Boggs Muething said.

“That’s probably the crux of what we are talking about,” she said.

City Council must approve the nine appointees on Cranley’s ethics panel before it can convene. Once approved, the panel will meet publicly every two weeks.