

# The Ethics Reporter

FEBRUARY 2024

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

Did you know?



The next filing date for employers' and lobbyists' spending disclosures is **Friday, March 15, 2024.**

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



*How much was spent in lobbying the first full year after passage of the Ethics Code?  
Answer on page 4*

## January 2024's lobbying spending sets record

Kentucky lobbying spending for January, 2024 hit an all-time high of \$2,986,769 for the first month of a session. The previous record for the first month of a legislative session was \$2.66 million, set last year.

Also, a record 891 lobbying businesses and organizations registered to lobby in Kentucky, spending \$2.89 million. 718 lobbyists were paid \$2.672 million in compensation, and also reported \$92,091 in expenses.

The top lobbying spender for January was **Kentucky Chamber of Commerce**, which spent \$51,414, the majority of this amount on lobbyist compensation. The **Chamber** reported lobbying on SB 15, SB 66, SB 42, SB 50, SB 203, HB 7, HB 15, HB 55, HB 120, HB 122, HB 128, HB 136, HB 154, HB 179, HB 195, HB 196, HB 209, HB 210, HB 237, HB 288, HB 297, and HCR 38. The **Chamber** held an Artificial Intelligence Summit to which all legislators were invited, in conjunction with **Deloitte Consulting**, another registered lobbying employer, and also held a reception for General Assembly members.

The second highest spender, **American Civil Liberties Union of KY (ACLU)**, spent \$29,469, mostly on lobbyist compensation, and reported lobbying on HB 5, HB 6, HB 9, HB 10, HB 96, HB 179, SB 34, and SB 99.

**Save the Children Action Network** spent \$28,472 to come in third in spending, \$20,000 of which was spent on digital ads and a mobile billboard in Frankfort and the Louisville Courier-Journal, in support of child care investments in the budget. Legislation lobbied includes SB 40 and HB 189 - KY Proud School Match Act, Budget - Child Care Assistance

Program and workforce investments, and SB 34 - Advancing Lives for Pregnancy and Healthy Alternatives Act.

**Greater Louisville, Inc.** spent \$27,800 to lobby, all of which was for lobbyist compensation. They reported lobbying on HB1, HB6, HB9, HB136, HB179, HB388, SB50, and SB93; as well as priorities and issues related to business interests, economic development incentives, education, environment and energy, local tax reform, state budget, talent attraction, and workforce participation.

Rounding out the top 5 was **Frankfort Plant Board**, at \$27,605, which reported \$10,230 of that amount on advertising in the Franklin County/Frankfort Plant Board service area against proposed legislation on the sale of the Board's telecommunications assets.

The rest of the top 10 were: **KY Hospital Association** (\$19,744); **East KY Power Cooperative, Inc.** (\$24,187); **KY Justice Association** (\$22,911); **KY Retail Federation, Inc.** (\$22,095); and **KY League of Cities, Inc.** (\$21,585).

Rounding out the top 20 are: **LG&E and KU Energy LLC** (\$20,843); **KY Primary Care Association** (\$19,972); **Altria Client Services LLC** (\$19,598); **Elevance Health and Affiliates DBA Anthem, Inc.** (\$19,000); **KY Medical Association** (\$18,829); **KY Association of Electrical Cooperatives, Inc.** (\$18,075); **KY Education Association** (\$17,633); **Duke Energy** (\$16,010); **KY Bankers Association** (\$15,234); and **Coalition for the Homeless** (\$15,065).

## New and terminated lobbying employers

Several newly registered lobbying employers are: **Advanced Medical Technology Assn. (AdvaMed)**; **ALEC Action**; **American Fuel & Petrochemical Manufacturers**; **AshBritt**; **Barry Goldwater Institute for Public Policy Research**; **Bellewood & Brooklawn**; **Biotechnology Innovation Organization (BIO)**; **Brick Industry Assn. (The)**; **Catholic Action Center**; **Centegix**; **Citizens for Bourbon County**; **City of Covington, KY**; **City of Madisonville, KY**; **Codell Construction**; **Council of State Governments (CSG)**; **Crown Castle**; **Curaleaf**; **Enervenue**; **Franklin County**; **Giffords**; **Heaven Hill Distilleries**; **Institute for Justice**; **Jackson Crossing LLC**; **KY Ambulance Providers Assn.**; **KY Public Library Association**; **Louisville Downtown Partnership**; **Netsmart**; **Pacific Legal Foundation**; **Prominent Technologies, LLC**; **RapidDeploy**; **Schmidt Associates**; **Sound Money Defense League**; **Travelers Indemnity Company**; **Unbridled Films, LLC**; **United Way of the Bluegrass**; **University of Pikeville**; **Veterans Guardian VA Claim Consulting LLC**; **ViiNetwork, Inc.**; **Vitronic Machine Vision, Ltd.**; **West KY Regional Riverport Authority**; **Western KY Botanical Garden**; and **Workday, Inc.** No employers recently terminated.

## Support this bill or else: Idaho lawmakers cite pressure from ‘wealthy’ campaign donor

IDAHO— Idaho Statesman — by Ian Max Stevenson — February 20, 2024

Idaho lawmakers recounted receiving a clear, straightforward threat: Vote against this bill, and I’ll bankroll your next opponent. As a controversial bill to implement mandatory minimum prison sentences for fentanyl crimes made its way through the House last month, several key lawmakers reported having uncomfortable experiences with interested parties that amounted to a pressure campaign.

Rep. Judy Boyle said she was approached by a “person with a lot of money” who told her he would help her opponent in the upcoming election if she voted against the bill. House Minority Leader Ilana Rubel said some have been threatened by “a very wealthy individual.” They both declined to name the person. “That is way over the top,” Boyle said of the threats. “One person is not the constituent of every single legislator.”

Two sources who work in the Capitol said that one influential behind-the-scenes figure made at least some of those threats to lawmakers: Larry Williams, a wealthy Boise businessman who spends heavily on state political races. A third source corroborated those accounts. The third source and a fourth — both elected officials — said that Paul Jagosh, a lobbyist for the Fraternal Order of Police, suggested to lawmakers that the organization would try to unseat opponents of the bill. They said that Jagosh intimated that they could wield influence and money in the upcoming elections. All spoke on condition of anonymity for fear of retribution. Jagosh said that he “absolutely” did not tell lawmakers the FOP would try to unseat people who voted against the bill. Williams did not respond to requests for comment.

Bryan Lovell, president of the FOP, said the FOP was not “involved in any of that.” Lovell said he has heard allegations that lobbyists were “badgering” legislators. “We found ourselves wondering who exactly they were talking about; we didn’t participate in any of that,” he said, and denied that the organization has influence over campaign funds other than its own, the Idaho FOP PAC.

As threats made the rounds in the Capitol last month, word got to Secretary of State Phil McGrane, who sent a letter to lobbyists warning them about the criminal penalties for bribes and threats. Idaho law on bribery prohibits any financial benefit offered on the condition of a public official’s decision, vote “or other exercise of discretion.”

McGrane told the Statesman that at least some of the “cryptic” complaints he received were about the fentanyl bill. The legislation had

ample support from lawmakers, with 50 co-sponsors, and the backing of the state’s law enforcement.

Despite its wide support, a number of legislators questioned the effectiveness of harsh mandatory minimum sentences and the potential of drug-induced homicide charges against teenagers in the bill, and advocates of sentencing reform lined up in opposition to it. Lawmakers who had questions about the consequences of expanding criminal laws around fentanyl were subjected to the pressure campaign, Rubel said.

“A lot of lawmakers have expressed fear to me that there is a very wealthy individual who will spend heavily against them if they oppose this bill,” she said. The bill cleared its final hurdle in the Legislature after it overwhelmingly passed in the Senate and would become law with Gov. Brad Little’s approval.

Flyers in favor of the bill, distributed to lawmakers during a House debate, were linked to a political action committee Williams supports. The flyer was paid for by the Gem State Legacy Fund, a nonprofit registered to Joseph Forney, who is also the treasurer of the Preserve Idaho Values PAC. Williams donated \$100,000 to the PAC in December, according to state campaign finance records. The Legacy Fund also paid for radio ads encouraging residents to reach out to their lawmakers and voice their support for the bill, and hired Sullivan and Reberger, a prominent lobbying firm. Forney said the PAC and legacy fund are “two different organizations.”

Boyle said she “did not appreciate” that the flyers distributed about the bill declared that “you either back the blue, or you back drug cartels.” “I am very opposed to drugs, but it’s not an either-or kind of thing,” Boyle said.

Williams has been linked to influential political campaigns in the past. Three state senators running for reelection in 2022 told the Idaho Capital Sun that their votes against a charter school bill had prompted the Boise businessman to make large donations to their political opponents. Those three senators ultimately lost their seats.

In 2022 and 2023, Williams donated a total of at least \$44,000 to candidates for the Legislature. In many instances, those donations were matched with another \$33,000 from his wife, Marianne. Four companies, which all have the same P.O. Box as Williams, donated at least a combined \$34,000 to legislative candidates in 2022 and 2023. All four companies are registered to William Mulder, who

has worked as a proxy for Williams at the Capitol. Williams, his wife and companies associated with him altogether donated at least \$111,000 to legislative candidates over those two years, plus the \$100,000 given to the Preserve Idaho Values PAC.

The fentanyl bill was hotly debated publicly and received support from the Fraternal Order of Police and other law enforcement, as well as opposition from supporters of prison reform. Lovell, the FOP spokesperson, said his organization supports the bill because it would bring state laws about illegal fentanyl into line with other controlled substances and deter trafficking. Studies have found mandatory minimums to be largely ineffective at deterring crime.

Once the bill got a hearing in a House committee, knowledge of the pressure around the bill reached the committee’s chairman. “It’s reported to me by some of my committee members, though I haven’t experienced it myself, that lobbyists on both sides of this bill have been rude and somewhat threatening,” Rep. Bruce Skaug said at the hearing. “Stop that.”

Rep. Julianne Young, at the same hearing, described the pressure coming from the bill as “incredibly intense.” “Members of this committee have been subjected to hints that some out there might run negative ad campaigns as early as October, before we even had bills in front of us,” she said.

Sen. Scott Herndon said that “some groups” informed him they would spend money against his campaign if he didn’t support the bill.

Rep. Marco Erickson told the Statesman he also experienced inappropriate pressure from groups that opposed the fentanyl bill. He works in drug prevention and said one opponent of the bill told him they could introduce him to funders of drug prevention programs with “deep pockets.” He said they have since apologized.

“What happened on that bill was unacceptable on so many levels,” he said. “In this case we saw aggression and mean-spirited, rude behavior and threats.”

Boyle told the Statesman she understands emotions can run high in debates about bills. But she said pressure campaigns shouldn’t be tied directly to candidate donations.

“I will vote how I think is the correct way to vote, and I don’t want your money influencing me,” she said.

## Lobbyists spent tens of thousands of dollars wining, dining lawmakers

NEW MEXICO— *Santa Fe New Mexican*— by Daniel J. Chacón—February 20, 2024

From ski passes to savory dishes at some of Santa Fe's ritziest restaurants, lobbyists spent big bucks wining, dining and entertaining lawmakers during the 30-day session.

Of course, what lobbyists were really buying was influence.

How much did it cost them?

Close to \$150,000, according to lobbyist expenditure reports filed with the Secretary of State's Office.

The spending, though, is almost certainly much higher.

Not only does the Secretary of State's Office rely on voluntary compliance, but lobbyists are only required to report single expenditures of \$500 or more during a legislative session.

"All other expenditures that occurred between 1/1/24 through 5/6/24 will be reflected on a report that is due on May 8th," Alex Curtas, a spokesman for the Secretary of State's Office, wrote in an email.

The level of reporting during the session varies by lobbyist.

Two of the state's more prominent lobbyists, J.D. Bullington and Marco Gonzales, both reported spending thousands of dollars on a single meal at the Bull Ring.

Bullington listed the names of the lawmakers who were his guests: Sens. Joe Cervantes and Carrie Hamblen of Las Cruces and Siah Correa Hemphill of Silver City, and Rep. Raymundo Lara of Chamberino.

Bullington also reported picking up the tab for Lara's spouse and six unnamed "non legislator guests." He separated the cost of the drinks — \$743.49 — and the cost of the meal — \$1,354.82 — for a total bill of nearly \$2,100.

Gonzales, on the other hand, didn't disclose any names or number of guests. He only reported the beneficiaries as "House and Senate members" and the total cost of \$3,388.

The form to report expenditures includes a box for lobbyists to disclose the purpose of the expenditure. Gonzales listed the purpose as "good will" and Bullington listed it as a dinner and beverage purchase.

Sen. Jeff Steinborn who has long pushed

for more transparency in lobbying activities in New Mexico, said the lack of disclosure "leaves a lot to be desired because of how it translates" into influence and policymaking.

"You never really know who was involved in any given piece of legislation, either passing it or defeating it, and that's just something that I think we ... deserve a lot better as citizens of the state," he said.

Steinborn said he continues to be discouraged New Mexico "chooses to put lobbyists and secrecy" ahead of the public interest.

"I had an easier time banning the storage of high-level nuclear waste in New Mexico than increasing transparency of lobbyists," he said. "Obviously, they're quite the formidable foe in the Roundhouse. There's a system that legislators are reluctant to let go of. It's such a weak link in our government functioning."

Inadequate reporting of lobbyist expenditures has been a big concern of Common Cause New Mexico for years, former state Sen. Dede Feldman, a good-government advocate and Common Cause member, wrote in an email.

"Common Cause has long believed that the more sunshine on lobbyist activities, the more the public will trust that its business is not done behind closed doors that exclude ordinary citizens," she wrote. "Ordinary citizens don't typically wine and dine legislators, hang out at their offices, or contribute ... to their campaigns. But they deserve equal input — and they are not getting it."

Feldman noted multiple deficiencies in existing law and said compliance is spotty. "Lobbyists are allowed to group expenditures of less than \$100 and just say whether they are for meals, entertainment or other. Expenditures over \$100 must just describe each expenditure as to whether it is for meals or beverages, entertainment, or other," she wrote. "Special events funded by lobbyists for all members of the Legislature (such as the 100th Bill Party) or committees do not have to mention the specific members who benefitted."

All the reporting reveals is how much is being spent, not to what end, Feldman

wrote.

"Nowhere is it required to say who was entertained, fed and watered, and for what purpose," she wrote. "This is something the public deserves to know. Pro or con."

Lawrence Horan, whose clients include Ski New Mexico and the New Mexico Oil and Gas Association, reported almost \$31,200 in expenditures, more than any other lobbyist.

The lion's share, \$28,000, was for ski passes for members of the Legislature, though the report doesn't specifically list the expenditure as ski passes. Rather, Horan listed the expenditure as "other" and the purpose as an "educational opportunity for legislators to understand and experience the NM Ski Industry."

Scott Scanland reported the second-highest single expenditure: a \$16,388 dinner sponsored by Comcast at Restaurant Martin. The report doesn't disclose who attended the dinner but notes the entire Legislature was invited.

Scanland represents dozens of clients, from cities, counties and schools to a cannabis company and the New Mexico Propane Gas Association. Scanland, whose wife is Rep. Doreen Gallegos, is among a handful of lobbyists married to a lawmaker.

The third-highest single expenditure — \$15,232 — was listed as a UNM Alumni Association Legislator Appreciation Reception at La Fonda on the Plaza.

Other high-dollar expenditures include a New Mexico Mining Association legislative reception and dinner at the Inn and Spa at Loretto, nearly \$13,000, and almost \$23,000 for a series of email alerts on behalf of the National Rifle Association regarding gun control bills and a Second Amendment rally.

*"You don't have to think about doing the right thing. If you're for the right thing, you do it without thinking."*

*-Maya Angelou, "I Know Why the Caged Bird Sings."*

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NEXT MEETING OF THE  
COMMISSION

The Kentucky Legislative Ethics Commission's next regular meeting is scheduled for Monday, March 11, 2024 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](https://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](https://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 now 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!

*Laura Hendrix*  
Executive Director  
[Laura.Hendrix@lrc.ky.gov](mailto:Laura.Hendrix@lrc.ky.gov)  
(502) 573-2910

*Donnita Crittenden*  
Executive Assistant  
[Donnita.Crittenden@lrc.ky.gov](mailto:Donnita.Crittenden@lrc.ky.gov)  
(502) 573-2863

*Emily Dennis*  
Counsel  
[Emily.Dennis@lrc.ky.gov](mailto:Emily.Dennis@lrc.ky.gov)  
(502) 573-2911

*Lori Smither*  
Staff Assistant  
[Lori.Smither@lrc.ky.gov](mailto:Lori.Smither@lrc.ky.gov)  
(502) 564-9076

## KENTUCKY LEGISLATIVE ETHICS COMMISSION

22 Mill Creek Park  
Frankfort, Kentucky 40601

Phone: 502-573-2863

Fax: 502-573-2929

Website: [klec.ky.gov](https://klec.ky.gov)

### Trivia Answer

**In 1994, the first full year of required lobbying disclosures, \$6,466,058 was spent by lobbyists and employers.**