

The Ethics Reporter

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KENTUCKY LEGISLATIVE ETHICS COMMISSION
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KLEC.KY.GOV

Did you know?



The next filing date for employers' and legislative agents' spending disclosures is **Thursday, February 15, 2024.**

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



May a lobbyist give a campaign contribution to a legislator or legislative candidate, or a caucus campaign committee?

Answer on page 4

Lobbying spending hits all-time high in 2023

Continuing the trend of increasing lobbying spending in Kentucky, 2023 marked the highest point since lobbying interests have been required to disclose expenditures, reaching \$25,500,513. In a year that featured a short 30-day session, spending by 844 lobbying employers totaled \$24,871,808, while 687 legislative agents spent \$628,705. This total bested last year's previous spending record by \$481,430, which was for the 60-day legislative session.

Employers spent a record \$1.074 million on advertising relating to legislation during the 2023 legislative session, and lobbyists and their employers spent a record \$465,508 on receptions, meals and events for legislators and legislative staff throughout 2023.

In Kentucky, the top 5 lobbying spenders for 2023 were: **KY Merchants and Amusement Coalition, Inc.** (\$483,324.26); **KY Chamber of Commerce** (\$444,030.76); **Kentuckians Against Illegal Gambling, Inc.** (\$348,763.78); **KY Hospital Association** (\$265,093.69); and **American Civil Liberties Union of KY (ACLU)** (\$192,084.67).

The rest of the top 10 includes: **Altria Client Services LLC** (\$191,597.77); **KY Medical Association** (\$169,420.04); **KY Retail Federation, Inc.** (\$168,985.73); **KY Distillers' Assn.** (\$168,281.50); and **LG&E and KU Energy LLC** (\$164,407.78).

The remainder of the top 20 are: **HCA Healthcare, Inc.** (\$142,400.00); **KY Assn. of Counties** (\$140,782.36); **KY League of Cities, Inc.** (\$139,553.36); **Churchill Downs Incorporated** (\$128,090.07); **Humana Inc.** (\$123,635.57); **Elevance Health and Affiliates DBA Anthem, Inc.** (\$122,693.64); **LifePoint Health** (\$118,480.60); **East KY Power Cooperative Inc.** (\$118,242.44); **Duke Energy** (\$115,819.30); and **Greater Louisville, Inc.** (\$113,427.57).

Increasing lobbying spending mirrored increasing state lobbying spending reported in the rest of the country. Opensecrets.org recently reported that 2023 state and federal lobbying spending, combined, totaled over \$4.2 billion, with that number expected to rise as year-end reports continue to come in for many states. Federal lobbying spending declined in response to gridlock and divided government.

Financial disclosures for General Assembly members, candidates, and major management personnel due February 15, 2024

The Legislative Ethics Code requires that legislators, candidates and major management personnel of the Legislative Branch file financial disclosures with the Ethics Commission by **February 15, 2024.** The content of the disclosures is found in KRS 6.787. The filed disclosures are a matter of public record. Legislators' and candidates' disclosures are posted on the Commission's website. Commission staff sent an email with the forms required to legislators and staff in January. Former legislators are also required to file their disclosures upon leaving office.

Lawmakers push for office of legislative ethics for the General Assembly

DELAWARE—*Delaware Public Media*—by Sarah Petrowich— January 18, 2024

Delaware State Rep. Mike Smith introduced a bill that would establish the Office of Legislative Ethics for the General Assembly.

The office would be overseen by a board of five appointed volunteers and managed by a full-time executive director who would be an attorney and serve as the agency's lead investigator.

The agency would allow any member of the public to request an investigation if they believe a legislator has engaged in unethical or illegal conduct while in office.

House Director of Policy and Communications Joe Fulgham explains currently, only legislators, and in some cases staff members, can file an ethics complaint against lawmakers.

"Even when a member of the public has a valid

concern that there may be an ethical or even legal violation, they really don't have any convenient place to turn."

Smith believes the political and partisan nature of the current legislative ethics committees can keep certain investigations from coming to fruition.

"I don't think anybody wants to waste their own time knowing what the outcome is when we're only judging each other, or one side's judging the other or one side's judging themselves, and that's what this office would hopefully try to help combat," Smith says.

He adds the office would work in partnership with the Attorney General's Office, as well as the Inspector General if such a position were to be created.

Under this bill, if an investigation yielded credible results, reports would then be sent to the appropriate legislative ethics committee. Once the committee completed its review, the report would be made open to the public.

The bill was filed over the summer and currently awaits a hearing in the House Administration Committee.



New and terminated lobbying employers

Several newly registered lobbying employers are: Acadia Healthcare; Aeroflow Health; All Points Broadband Partners, LLC; American Assn. of Payers, Administrators & Networks; American Council of Life Insurers; Antecedent Development LLC; Ban Conversion Therapy; BE NKY Growth Partnership; Bellewood & Brooklawn; Bluegrass Land Conservancy; BlueOval SK; Braeburn Inc.; Canopy Certified Inc.; Champ Titles, Inc.; Chemours; Cicero Action; City of Ashland; CNS Cares; Congressional Sportsmen's Foundation; Consumer Healthcare Products Association; Corebridge Financial Group; Council of State Governments Justice Center; Critical Response Group; Deaconess Health Systems, Inc.; Dexcom, Inc.; Diamond Game Enterprises; Evolve502, Inc.; Fantasy Sports Alliance; Fleming County Public Schools; Foundation for Individual Rights and Expression; Frankfort Plant Board; Friends of LifeWorks; Fugees Family; Gibson Electric Membership Corp.; GlaxoSmithKline; Human Coalition; Ingram Education Services; Jeffersontown FOP Lodge #26; KCA Labs; KRM Wagering LLC; KY Forum for Rights, Economics & Education; KY Horse Park Foundation; KY Lithium LLC; KY School Counselors Assn.; Libertas Institute; Liberty Initiative Fund; Louisville Ballet; MasteryPrep; Morehead State University; National Assn. of Vision Care Plans; Navitus Health Solutions; People, Plants, and Health; Professional Insurance Agents of KY; Ramey-Estep Homes, Inc.; Revenue Based Finance Coalition Inc.; Sage Therapeutics; Students for Life Action; Textile Rental Services Assn (TRSA); Thomas D. Clark Foundation; Western KY University; Wilderness Louisville, Inc.; and YDK! Action.

These employers recently terminated lobbying efforts in Kentucky: Accessia Health; ADP, Inc. - Automatic Data Processing; After Innocence; Ainsworth Game Technology, Inc.; Air Conditioning, Heating and Refrig. Institute; American Advertising Federation-Louisville; Appalachian Wildlife Foundation; Association of American Publishers, Inc.; Bellewood & Brooklawn; Big Ass Fans; Blue Equity, LLC; Cash in a Dash, LLC; Chambers Medical Group; Change Healthcare; CMCH Paducah, LLC; Codell Construction; Consumer Reports, Inc.; CorriSoft LLC; CTIA - The Wireless Assn.; Dealertrack Registration and Titling Solutions, Inc.; Dialysis Patient Citizens; FanDuel, Inc.; FBG Enterprises Opco, LLC; Flock Safety; Giffords; Heaven Hill Distilleries; Herschend Entertainment Company, LLC; Insights Assn.; Insurance Auto Auction Inc.; Institute for Justice; Key Bank National Assn.; KY Ambulance Providers Assn.; KY Assn. for Psychology in the Schools; KY Assn. of Fire Chiefs; KY Auctioneers Association; KY Cooperage Holding Company, LLC; KY Cybersecurity Association; KY Equipment Distributors; KY Head Start Assn.; KY Pork Producers Assn.; KY Public Library Association; KY Smart on Crime; KY State Acupuncture Association; Koppers, Inc.; Kyndryl; Lexmark International, Inc.; Liberty Mutual Insurance Group; May Commercial Group; Merscorp Holdings, Inc.; National Mining Assn.; NetChoice; Neurocrine Biosciences, Inc.; NFL - National Football League; Nokia Enterprise; NTS Development Co.; Nuclear Energy Institute; Ohio Valley ISRI; Pearl Medical Practice, LLC; Plasma Games; Prominent Technologies; Real Alloy Recycling, LLC; Recreation Vehicle Dealers Assn.; Reid Investments, LLC; Rocket Central; SI Group Client Services dba Swisher Intl., Inc.; Southeast Blockchain Assn.; Sullivan University System; Sunrise Treatment Center; Tusk Holdings; U.S. WorldMeds; United Mine Workers of America; Viatrix Inc.; Virginia Everywhere; Western KY Coal Association; Wheeler Emergency Management Consulting, LLC; Wild Labs; and Woodcock, Thomas C.

Former Shelbyville Rep. Eberhart agrees to plead guilty to felony charge

INDIANA—*Indiana Capital Chronicle*—by Whitney Downard— November 10, 2023

Former Shelbyville Rep. Sean Eberhart has signed paperwork to plead guilty to a federal felony charge related to his conduct as a lawmaker, specifically related to Spectacle Entertainment's bid to relocate two casinos from Lake Michigan to "other areas beneficial to Spectacle."

In a Friday morning release, the U.S. Attorney's Office of the Southern District of Indiana said he had conspired "with others to solicit and receive the promise of future, lucrative employment with a gaming company in exchange for his support of legislation beneficial to the gaming company."

An unidentified owner at Spectacle offered Eberhart future employment at Spectacle with a salary of \$350,000 in exchange for his support of the legislation allowing the company to build casinos in Terre Haute and Gary — which he accepted. The transfer fee for such a move included in the legislation was reduced from \$100 million to \$20 million and included beneficial tax incentives for Spectacle.

A plea agreement in the case was filed Thursday evening.

The plea to conspiracy to commit honest services fraud can include accepting bribes or kickbacks related to one's public service and includes a maximum punishment of five years imprisonment, a \$250,000 fine and three years of supervised release.

The parties didn't agree to a sentence in the documents but the government signaled

it would recommend a sentence on the lower range based on information presently known.

Restitution in the case is \$60,000 — the legislative salary for Eberhart — alongside a \$100 fee for a mandatory special assessment. Evidence of Eberhart's involvement, according to the document, includes: texts, recorded calls, scans of documents, "covert recordings of conversations" and video from legislative proceedings.

With an offense level of 21 — slightly reduced due to his "acceptance of responsibility" — Eberhart could serve between 37 and 46 months, according to the 2016 sentencing guidelines.

No others have publicly been charged but a conspiracy case could include other defendants. The relevant legislation came through the Public Policy committee — of which Eberhart was a member.

Eberhart left the General Assembly last year after 16 years in the legislature where he played a key role in casino legislation benefiting the racino in Shelbyville, now called Horseshoe Indianapolis.

A rough road for Terre Haute casino

The legislation advanced by Eberhart and his colleagues passed, allowing Spectacle to move forward on casinos in Terre Haute and Gary — though progress in western Indiana has been difficult.

The Indiana Gaming Commission initiated its own probe into Spectacle in January 2020 shortly after it broke ground on a \$300 mil-

lion casino in Gary. Two former executives — co-founder and CEO Rod Ratcliff and Vice President John Keeler — were both forced out of the company during the investigative fallout.

The gaming commission fined Spectacle \$10,000 each day it delayed to split from Ratcliff for a total of \$53,000 after learning he failed to disclose the transfer of company shares and for not disclosing a horse racing wagering account in his name with employee deposits of \$900,000, as detailed by Casino.org.

Keeler was sentenced to two months for his role in a "straw donor" scheme with former lawmaker Sen. Brent Waltz.

In 2019, Spectacle partnered with Hard Rock International in an application to the gaming commission for the Vigo County casino but a federal investigation into Ratcliff's former company, Centaur Gaming, and its involvement in Waltz's failed Congressional campaign derailed its progress.

As detailed by the Terre Haute Tribune Star, local businessman Greg Gibson co-founded Spectacle in 2018 with Ratcliff but following the federal charges Gibson pivoted to Lucy Luck Gaming and made another attempt in 2021 — which the gaming commission rejected due to its inability to secure fully vetted financing.

The latest casino plan, the Terre Haute Casino Resort, is overseen by Churchill Downs and slated to open in March 2024.

State Rep. Luxenberg charged with DUI

CONNECTICUT—*Connecticut Mirror*—by Stephen Busemeyer— November 17, 2023

State Rep. Geoff Luxenberg was charged with driving under the influence on Thursday, according to statements from him and House leadership. No one was injured, he said. "Last night, I was charged with operating a motor vehicle while under the influence," Luxenberg said in a statement Friday afternoon. "Thankfully, no one was injured and there was no accident.

"I am taking this matter extremely seriously and I feel it important to address the issue immediately. I am seeking personal counseling and treatment at this time to assist me in my desire to prevent something

like this from happening in the future," the statement reads. "I am truly sorry for my actions and apologize to everyone that I have let down." Luxenberg's statement contained no additional details about the arrest.

House Speaker Matt Ritter and Majority Leader Jason Rojas issued a joint statement Friday. "Hearing of Rep. Luxenberg's DUI arrest is disappointing and we hope he learns from this serious lapse in judgment," it reads. "Geoff has indicated that he is taking steps to ensure this never happens again and we support and encourage him in that decision. We are removing Rep. Luxenberg from all committee

and leadership assignments until further notice."

Earlier this year, Rep. Robin Comey was charged with driving under the influence after flipping her car on Capitol Avenue in Hartford. She was relieved of her legislative assignments.

In January, Rep. Quentin Williams died in a crash involving a wrong-way driver on Route 9 in Cromwell. His blood alcohol level was about twice the legal limit, police said.

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Mike Shull
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Anthony M. Wilhoit

**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, 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>

Financial Disclosures and Lobbying Spending

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.

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

Lobbying 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

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

No. A registered lobbyist cannot give a campaign contribution to a legislator, legislative candidate, or a caucus campaign committee, at any time.