

# The Ethics Reporter

JULY 2022

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

## Important upcoming date:

Updated registration statements from lobbyists and employers are due **September 15, 2022** for the time period of May 1 to August 31, 2022.

Legislators' and candidates' financial disclosures are on [klec.ky.gov](http://klec.ky.gov)

## Opensecrets.org ranks Kentucky Ethics websites 17th out of 50 states

The Kentucky Legislative Ethics Commission's website [klec.ky.gov](http://klec.ky.gov) and the Executive Branch Ethics Commission's website [ethics.ky.gov](http://ethics.ky.gov) were collectively ranked 17th out of 50 states in a recent comparison by Opensecrets.org of state lobbying disclosure websites, and garnered an overall score of 14.5 out of 20.

The report ranked states' sites on the basis of disclosure of who is lobbying and who is paying for it, how much lobbyists are paid, whether there's timely disclosure, and how easily the public can access disclosed information. The sites received, out of a possible 5 in each category, a 5, 4, 4, and 1.5, respectively.

Our staff has been working with Legislative Research Commission staff to update our searchable database and online filing system, which will assist in ease of use and



transparency.

The full report may be found at <https://www.opensecrets.org/news/reports/layers-of-lobbying/lobbying-scorecard>



## *May a legislator be a lobbyist?*

*Answer on page 4*

## New and terminated lobbying employers, and name change

Several newly registered lobbying employers are: **Lexington Nonprofit Coalition**; **NET Recovery Corp.**; **Scientific Games LLC**; and **Southeast Blockchain Association**.

Three employers terminated their lobbying activity recently: **Gibson Electric Membership Corporation**; **Kentucky Public Health Association**; and **Pearson Education Limited**.

Additionally, **Anthem Inc. & Its Affiliates** has changed its name to **Elevance Health & Affiliates DBA Anthem, Inc.**

Anyone may check the up-to-date Searchable Register of Employers and Legislative Agents on the Commission's website at <http://apps.klec.ky.gov/searchregister.asp>

## Ethics and Lobbying News from the U.S.



*“Ethics must be reintroduced to public service to restore people's faith in government. Without such faith, democracy cannot flourish.”*  
 -Walter Cronkite

### Lawmaker agrees to pay \$500 penalty in ethics case NEW MEXICO-Albuquerque Journal-By Dan McKay-July 16, 2022

State Rep. Rebecca Dow has agreed to pay a \$500 civil penalty for violations of the Governmental Conduct Act under a tentative settlement with the State Ethics Commission, potentially ending a case she fought fiercely for almost two years.

The settlement isn't final yet. If granted, it would end the highest-profile ethics case since voters approved a constitutional amendment in 2018 establishing New Mexico's independent ethics agency.

Dow said Friday that she couldn't comment on the settlement until it's final.

But public records show she accepted a settlement in late June agreeing to pay \$500 for two violations of the state law that restricts when legislators may represent a client before a state agency.

The Governmental Conduct Act prohibits state lawmakers from helping someone before a state agency unless the lawmaker is unpaid or working on behalf of a constituent.

The law also includes an exception for legislators who deal with state agencies while "engaged in the conduct of their professions." But in those cases, the lawmakers cannot make reference to their role as a legislator. The ethics case against Dow centered, in part, on allegations that she had violated the law by representing an early childhood center she founded. Dow is the founder and a former CEO of AppleTree, a nonprofit that serves children and families in Sierra

County. It receives most of its revenue from state grants and contracts, according to documents in the case.

In pursuing the complaint against Dow, Walker Boyd, the general counsel of the State Ethics Commission, said Dow had sent emails on behalf of AppleTree to the Public Education Department and had submitted an invoice to AppleTree for services that included meeting with Cabinet secretaries to promote AppleTree — evidence, Boyd said, that she had violated the restrictions on when a legislator may represent a client before state agencies.

He also said Dow had, in some cases, made reference to her capacity as a legislator by signing an email "Rep Dow" or using her legislative email address.

Dow, in turn, has vigorously denied the allegations. In her own filings, she contends she was just representing a constituent — AppleTree — the same way any legislator is permitted to represent people in their district.

She described herself as volunteering her time for the group in recent years — rather than accepting payment — and contends she not only complied with state law but also consulted with legislative staff on how to properly disclose her role with AppleTree.

Even so, she said, she voluntarily amended financial disclosure documents to address concerns raised by the ethics staff.

In January, Dow described the ethics staff as "way out of bounds" and said the agency "continues to invent new claims of violations as old ones are abandoned."

Also that month, she said: "I have publicly disclosed — overdisclosed — all the details of my work and very modest payment for an important non-profit in my district."

Dow said Friday that she couldn't comment.

"Until the settlement is approved and final, it is not appropriate to respond to the substance of your questions," she told the Journal.

The case played out as Dow sought reelection to the House in 2020 and throughout this year as she campaigned for governor.

The settlement would bring the case to a close. As part of the agreement, Dow would abandon some pending court challenges she filed as she fought the allegations.

The State Ethics Commission is empowered to enforce state laws on campaign reporting, financial disclosures, lobbyists and other matters.

Voters authorized its creation in 2018, and lawmakers subsequently passed a bill outlining more specifically how it would operate.

The seven-member commission began accepting ethics complaints in 2020 and makes them public only upon a finding of probable cause.

## Chicago City Council unanimously passes ethics overhaul, boosts fines to \$20K

ILLINOIS-*WTTW News*-By Heather Cherone-July 20, 2022

The Chicago City Council unanimously approved a major overhaul of Chicago's Governmental Ethics Ordinance Wednesday after months of behind-the-scenes negotiations over the package designed to root out the corruption that has led to the conviction of 37 members of the Chicago City Council since 1969.

Authored by Ald. Michele Smith (43rd Ward), the chair of the City Council's Ethics and Government Oversight Committee, and backed by the Chicago Board of Ethics, the package was significantly revised to win the support of Mayor Lori Lightfoot, who blocked the measure from advancing for several months.

The measure hikes the maximum fine for violating the city's ethics ordinance from \$5,000 to \$20,000.

The City Council voted 50-0 in July 2019 to overhaul the city's ethics laws by giving the inspector general the authority to investigate alderpeople and committees by hiking the fine for violations from \$2,000 to \$5,000. That measure also banned members of the City Council from working as property tax attorneys — a provision that was aimed squarely at indicted Ald. Ed Burke (14th Ward).

But those changes were less far reaching than originally proposed by the Ethics Board, and Lightfoot promised more reforms were in the works.

The Ethics Board has found probable cause that a number of Lightfoot's allies on the Chicago City Council have violated the city's ethics ordinance using the process.

The Ethics Board is now required to notify the elected official in writing at least 10 days before the Board of Ethics could find probable cause that they violated the law, giving them a chance to refute the allegation and avoid public embarrassment.

The board determined in June that there was probable cause that the ordinance had been violated in June in a case involving "campaign-related content in an official ward newsletter, emailed from a cityofchicago.org email address, contrary to clear board guidance on the improper mixing of political and official content in newsletters and websites that was sent to all city elected officials in January 2020."

Ald. Derrick Curtis (18th Ward), a Lightfoot ally, sent an email on June 2 to residents of his Far South Side ward that included an advertisement for the mayor's reelection kickoff event at the Starlight Restaurant on June 8. That newsletter included an image that invited 100 residents to reserve a spot at a "supporter breakfast" by contacting Curtis' ward office on a first-come, first-served basis.

In addition, the measure expands the number of companies doing business with the city that would be limited to contributing \$1,500 annually to include those doing business with all of the city's sister agencies, including the Chicago Transit Authority, the Chicago Public Schools and Chicago Housing Authority.

The proposal directs the city's Department of Assets, Information and Services to compile a list of contractors for the Chicago Housing Authority and the Public Building Commission, to allow Chicago elected officials to comply with the limits.

However, the revised measure does not expand the limit on campaign contributions to subcontractors with the city's sister agencies, since there is no database of those firms. The measure also expands the city's rules against nepotism to prevent city officials or employees from taking any action that benefits their domestic partner or relatives and prohibit firms from hiring relatives of city officials to skirt the rules.

But those elected officials will not have to physically leave the City Council chambers or the virtual meeting when that item is discussed and voted on. Instead, the official will have to file details about the conflict of interest with the Chicago Board of Ethics within 24 hours. That

information will be made public in a searchable format.

The proposal bans former alderpeople who work as lobbyists from the floor of the Council Chambers.

While city law prohibits the use of city property for political purposes, the measure permits "incidental" use of the city seal in a video or photograph that has a disclaimer attached that it is not an official city of Chicago production.

In addition, the revised ordinance allows elected officials to host donation drives for charitable organizations by placing bins in their offices and city property.

The revised ordinance also requires independent contractors who work for members of the City Council to complete a statement of financial interest and undergo ethics training. A similar measure was defeated in 2017 after it caused an outcry.

The city's law also clarifies the city's rules on lobbying to exempt Chicagoans who urge their alderperson to support a measure with a nonprofit advocacy organization.

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## 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](http://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](http://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!

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### Trivia Answer

**No. KRS 6.757 prohibits a sitting legislator from being a lobbyist. A former legislator may not lobby for 2 years after leaving office, except for a public agency.**