ETHICS REPORTER
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Recommended Changes Sent to the LRC for the KY Legislative Ethics Code

The Legislative Ethics Commission recently submitted four recommendations for statutory changes in the Code of Legislative Ethics.

The recommendations were submitted to the Legislative Research Commission for its July meeting. If enacted by the General Assembly, the new statutes would create ethical prohibitions against sexual harassment, clarify how legislative agents are notified when they register, clarify that campaign contributions can be accepted by sitting legislators running for statewide offices and fix a numbering typo in KRS 6.661. The recommendations are published below.

1. ***Define and prohibit sexual harassment as ethical misconduct.***

Recommendation: Create a comprehensive ethical prohibition against sexual harassment by legislators and legislative agents against legislative branch employees, legislators, or legislative agents. This would include the following:

- Specifically define "sexual harassment" as actions that violate either Kentucky or federal statutes, regulations, or case law relating to protected classifications.
- Prohibit legislators and legislative agents from engaging in sexual harassment against an employee of the legislative branch, legislator, or legislative agent, and provide that a violation is ethical misconduct.

2. ***Clarify that lobbyists will receive an electronic notification that they are registered, and the Commission shall list the lobbyist's name on the official lobbyist list upon registration.***

Recommendation: Codify that lobbyists receive an electronic notification that they are officially registered, and provide that the Commission shall list the lobbyist on the official registration list upon registration.

3. ***Amend the regular session prohibition against campaign contributions from employers to clarify that the prohibition does not apply to campaign contributions from employers to sitting legislators who are running for statewide office.***

Recommendation: Amend the prohibition against employers of legislative agents making campaign contributions during a regular session of the General Assembly to clarify that the prohibition does not apply to campaign contributions to legislators who are running for statewide office.

4. ***<u>Amend the Code to correct KRS 6.661(5) to reflect the KLEC staff is subject to the restrictions in KRS 6.651(7), rather than subsection (8), as originally intended.</u>***

Recommendation: Amend KRS 6.661(5), relating to the staff of the Legislative Ethics Commission as enacted in 1993, makes a member of the staff subject to the provisions of KRS 6.651(8). However, in 1996, KRS 6.651 was amended so that subsection (7) now provides what subsection (8) formerly provided. No change has been made to KRS 6.661(5) to make it conform to the amendment to KRS 6.651. Therefore, KRS 6.661(5) should be amended to refer to subsection (7) of KRS 6.651, thereby restricting the political activity of the staff of the Legislative Ethics Commission as was originally intended by the General Assembly.

<u>Newly-Registered and Terminated Lobbying Employers</u>

Since the end of the 2026 General Assembly, several businesses have registered to lobby, while others have terminated registration and are no longer lobbying in Kentucky. There are 705 legislative agents registered to lobby in Kentucky, and they're working for 957 employers. The following organization recently registered to lobby in Kentucky:
KY Assn. for Gifted Education KAGE
NorthKey Community Care
Uniti

The following organizations recently terminated their status in Kentucky:
Gibson Electric Membership Corporation
Legal Aid of the Bluegrass
Pacific Legal Foundation

<u>Refresher – Giving and Acceptance of Things of Value</u>

A legislator or his or her spouse is prohibited from soliciting, accepting, or agreeing to accept anything of value from a legislative agent or an employer (Class B misdemeanor). The terms "anything of value," "legislative agent," and "employer" are defined in KRS 6.611. For the complete statute on these prohibitions, see KRS 6.751.

A legislative agent or employer is prohibited from offering, giving, or agreeing to give "anything of value", as defined in KRS 6.611, to a legislator, a candidate, or the spouse or child of a legislator or candidate. For the complete statute on these prohibitions, see KRS 6.811(4).

Examples of "anything of value":
★ money
★ promissory note
★ contract
★ forgiveness of indebtedness
★ property
★ promise or offer of employment
★ gift, including food and beverages
★ work of art, antique, or collectible

★ automobile or other means of personal transportation
★ any other thing of value that is pecuniary or compensatory in value to a person, or the primary significance of which is economic gain.

Examples of what is not "anything of value":
★ campaign contribution properly received and reported
★ compensation, food, beverages, entertainment, transportation, lodging, or other goods or services extended by the legislator's private employer or by a person other than a legislative agent or employer
★ usual and customary commercial loan made in the ordinary course of business, without regard to the recipient's status as a legislator, and by a person or institution authorized by law to engage in the business of making loans
★ certificate, plaque, or commemorative token of less than $150
★ promotional items of less than $50
★ educational items
★ informational items
★ food and beverages at events that meet certain criteria discussed below
★ any service spontaneously extended to a legislator in an emergency situation
★ anything for which the recipient pays or gives full value.

Legislative agents and employers may sponsor certain meetings, receptions, and other events which a legislator may attend either individually or with other legislators. The cost of attendance or participation and food and beverages at the event may be provided by legislative agents and employers if the event meets stringent criteria and requirements for attendance by legislators. These events must meet one of the following tests:

(1) All the members of the Kentucky Senate or the House of Representatives, or both, are invited;

(2) All members of a joint committee or task force of the Kentucky Senate and the House of Representatives are invited;

(3) A caucus of legislators that has been approved as a caucus by the Legislative Research Commission is invited;

(4) The event is sponsored or coordinated by a state or local government entity, including a state institution of higher education, provided that the cost thereof is covered by the state or local government entity or state institution of higher education; or

(5) It is an in-state event to which an individual legislator is invited and for which the legislator receives prior approval from the President of the Senate or the Speaker of the House for their respective caucuses.

(6) It is an event sponsored or coordinated by multistate or national organizations of, or including, state governments, state legislatures, or state legislators if approved in advance by the LRC; or

(7) It is an in-state event sponsored by or in conjunction with a civic, charitable, governmental, trade association, or community organization.

See KRS 6.611 (2) (b) 8., 11., and 12., and OLEC 96-4.

Ethics & Lobbying News from around the U.S.

2025 Federal Lobbying Disclosure: Observations on Compliance with Requirements

By: Lisa Van Arsdale – **U.S. Government Accountability Office** - Jun 30, 2026

Fast Facts:

To make lobbying the federal government more transparent, paid lobbyists must, among other requirements:

- File quarterly reports on who lobbied and what they did
- File semiannual political contribution reports

As in past years, most registered lobbyists showed us evidence that they followed the above reporting requirements. But we also found discrepancies. For example, 22% of quarterly reports listed lobbyists who didn't fully disclose their relevant prior federal jobs, as required.

From 2016-2025, Congress referred 12,391 cases to the Department of Justice for failure to file reports. About 46% of these cases were resolved as of December 2025.

What GAO Found:

Most lobbyists demonstrated compliance with the requirements of the Lobbying Disclosure Act of 1995, as amended (LDA). For example, for the third and fourth quarters of 2024 and the first and second quarters of 2025, GAO estimates that

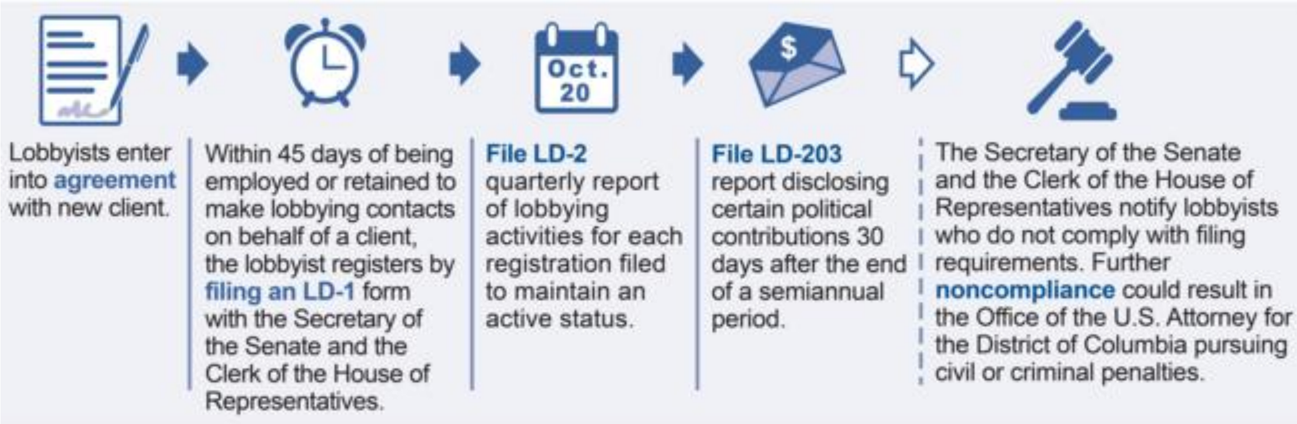
- 94 percent of lobbyists who filed quarterly lobbying disclosure (LD-2) reports had documentation confirming income and expenses related to lobbying,
- 84 percent of lobbyists who reported lobbying the Senate had documentation confirming related lobbying activities, and
- 93 percent of semiannual contribution (LD-203) reports included all reportable political contributions.

These findings are generally consistent with GAO's findings since 2016.

By law, lobbyists are also required to report certain criminal convictions, such as those involving bribery or fraud, among others. None of the 247 individuals listed as lobbyists on the quarterly disclosure reports GAO reviewed appeared to have relevant convictions to disclose, based on analyzing criminal background records. Therefore, GAO did not identify any related reporting violations.

The figure below describes the typical filing and enforcement processes.

Typical Lobbying Disclosure Process



Source: GAO analysis of the Lobbying Disclosure Act of 1995, as amended. GAO (icons). | GAO-26-108486

GAO found that most lobbyists reported some level of ease in complying with quarterly reporting requirements and understanding terms, such as lobbying activities, associated with these requirements.

Based on referrals from the Secretary of the Senate and the Clerk of the House of Representatives, the U.S. Attorney's Office for the District of Columbia (USAO) contacts lobbyists who have not filed their lobbying disclosure and contribution reports. For filing years 2016 through 2025, the office received 12,391 referrals for lobbyists who failed to file these reports. As of December 2025, about 46 percent of these referrals were closed as in compliance after lobbyists filed required reports. To improve compliance, the office takes various enforcement actions, such as emailing or calling lobbyists. GAO found that the number of enforcement actions taken based on referrals, as well as the percentage of referrals brought into compliance, have generally increased in recent years after earlier declines.

Why GAO Did This Study:

The LDA requires lobbyists to file LD-2 reports and LD-203 reports, among other requirements. The law includes a provision for GAO to annually audit the extent of lobbyists' compliance with the act.

This report is GAO's 19th annual review under the provision and (1) determines the extent to which lobbyists demonstrated compliance with federal lobbying reporting requirements, (2) identifies lobbyists' perspectives on challenges or potential improvements to compliance with quarterly reporting requirements, and (3) describes the resources and authorities available to the USAO and efforts the office has made to improve enforcement.

GAO reviewed a stratified random sample of 101 LD-2s filed for the third and fourth quarters of calendar year 2024 and the first and second quarters of calendar year 2025. GAO also reviewed a random sample of 160 contribution reports from year-end 2024 and midyear 2025. This methodology allowed GAO to generalize to the population of 71,497 quarterly disclosure reports with $5,000 or more in lobbying activity and 35,735 contribution reports, respectively.

In addition, GAO interviewed 95 lobbyists from the sample of quarterly disclosure reports to obtain their views on any compliance challenges or potential improvements to aid compliance. GAO also reviewed referrals data from the USAO and interviewed officials.

GAO provided a draft of this report to the Department of Justice (DOJ) for review. DOJ did not provide comments.

For more information, contact Lisa Van Arsdale at VanarsdaleL@gao.gov.

Lawyers give opening statements in Ellsworth trial

By: Jordan Hansen - **Yahoo! News** - July 15, 2026

HELENA — Attorneys presented opening arguments on Wednesday in Lewis Clark District Court in the trial of former Montana Senate President Jason Ellsworth, who is accused of abusing his power while in office to give an approximately $170,000, no-bid, contract to a friend.

Ellsworth was stripped of nearly all privileges as a political official last year, though the state Senate stopped short of expelling him. He is charged with official misconduct, a misdemeanor, and could face up to a $500 fine and six months in prison.

Ellsworth, who represented the Bitterroot as a Republican, did not seek reelection in his district this year but instead attempted to run as a House Representative in eastern Montana, losing in the primary. Ellsworth has previously claimed legislative immunity for his role in the contract process.

His trial in front of Judge Chris Abbott began on Tuesday with jury selection and continued Wednesday, with opening statements and testimony from several witnesses.

State lawyers allege Ellsworth broke laws that were designed to prevent favoritism and cronyism.

"Government officials do not get to decide who receives taxpayer-funded contracts simply because they are friends, business associates, or someone they know," said Daniel Guzynski, who gave the state's opening remarks. "These procedures exist to protect taxpayers, to also give the vendors who would like to have these contracts, Montana businesses, the opportunity to competitively bid on these contracts."

Ellsworth sent two contracts with invoices to Legislative Services on Dec. 26, 2024 for a total of approximately $170,000. Each of those contracts were less than $100,000 and the money came out of a fund controlled by the Governor's Office. That money, if it wasn't spent by Dec. 31, 2024, would have gone back to that office, state officials said on the stand Wednesday.

Ellsworth's lawyers said he was not doing anything underhanded and he was within his "lawful authority" to approve the contracts.

"Evidence will show this was an agreement for services," said Martin Judnich, a lawyer for Ellsworth. "This isn't some type of kickback, some sort of government back-end contract for something … it's a very simple contract for services."

The contracts were for tracking legislation regarding the judicial branch and given to Bryce Eggleston, who Scott Boulanger, a long-time friend of Ellsworth's, called Ellsworth's "right-hand man," during testimony Wednesday. Boulanger added that Eggleston worked for Ellsworth.

Eggleston's company, called Agile Analytics, emailed the contracts and invoices on Dec. 26 at 3:11 p.m., to Ellsworth, who moved them on to Angie Carter, the Financial Director with Legislative Services, who also testified on Wednesday. That company was organized with the Secretary of State's Office just days before, on Dec. 12.

Carter has worked with the state for 20 years and has handled contracts in multiple agencies, she said. She told the courtroom she was almost immediately concerned about the contracts.

"When I got the contracts and the invoices, I knew that it was not normal," Carter said.

She added the two contracts were no-bid contracts, and explained parts of the contracting process to the jury.

The bills those contracts were supposed to track became a central discussion in the 2025 Legislature, with Republicans pushing much of the legislation in an effort to make the judicial system more partisan.

On the stand Wednesday, Boulanger said Ellsworth asked him in early January to come up with a bid for tracking the bills, which happened after the contract was executed, according to state lawyers.

When asked why he did it for Ellsworth, Boulanger said that "was the $64 million question."

"I was just helping a friend," Boulanger said. "I didn't even know what it was for. He just asked me to, and I said sure."

Additionally, Ellsworth sought work for Eggleston under Bowen Greenwood, the state's elected Supreme Court Clerk of Court. Greenwood testified he talked with Ellsworth around 10 times about a position for Eggleston, but said he was "consistently" against adding the job, which would have been for public communications.

Greenwood also added his position, while elected, rarely issues any type of media content and it would be difficult to make his office's work "newsworthy." The Clerk of Court essentially ensures all Supreme Court documents are filed properly.

Ellsworth also ran in a primary for Clerk of Court, which he lost to Greenwood. Both Republicans, Greenwood wanted to mend fences, he said, so he took the time to discuss the idea of hiring Ellsworth's friend.

"I wanted to reach out and kind of rebuild the relationship," Greenwood said. "So I wanted to hear this out and see if, you know, there might be an area for an agreement. I wasn't real enthusiastic about the idea of hiring a communications director."

Ellsworth's trial will continue on Thursday, with Carter on the witness stand.