

***Reminders about legislative travel and lobbying***

**ETHICS REPORTER**

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Kentucky Legislative Ethics Commission

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<http://klec.ky.gov>

A reminder about any out-of-state trips connected with legislative duties. Please remember that legislators must get approval from their presiding officer for **ANY** out-of-state travel connected with their legislative duties (even if it is self-paid).

Kentucky’s Code of Legislative Ethics applies to legislators, lobbyists, and employers of lobbyists who may attend out of state conferences or events, or who sponsor events in conjunction with those conferences.

          Kentucky lobbyists and their employers shall report the value of food, beverages, and other expenses contributed to events to which Kentucky legislators are invited.  Lobbyists and employers are also required to report other expenses incurred in conjunction with the meetings, if the expenses are directly associated with the employer’s or lobbyist’s lobbying activities.  These include any expenses for promotional or informational items, and conference registration and travel expenses.

             The Code of Legislative Ethics prohibits lobbyists and employers from buying food and beverages for individual legislators, and prohibits lobbyists and employers from providing legislators with out-of-state lodging or transportation from Kentucky to an out-of-state location. Travel expenses and conference registration cannot be furnished or paid by a lobbyist or employer of lobbyists to legislators or spouses.

Additionally, if a group or individual is not registered as an employer or lobbyist, but intends to directly communicate with a Kentucky legislator on a legislative issue, and are paid to do so, they must register with the Commission.

However, lobbyists and employers may furnish food, beverages, and local transportation for an out-of-state event held in conjunction with a multistate or national organization (such as NCSL or CSG) and to which permitted groups of legislators are invited (all members of a chamber, joint committees or task forces, approved caucuses) or sponsored by state or local entities, and those expenses must be reported. See KRS 6.747 and 6.611.

The Code states that: "A legislator may accept prepaid transportation, food, and lodging or be reimbursed for actual expenses for out-of-state travel associated with the performance of his or her duties as a legislator if he or she obtains prior approval of the travel from a majority of the Legislative Research Commission", assuming these are not furnished or paid by a lobbyist or employer of lobbyists. KRS 6.747. Any reimbursement of expenses shall be reported to the Legislative Research Commission.

Any question about the application of the Code to a particular invitation, travel, or other issue should be directed to the Ethics Commission. The Commission staff can provide an informal opinion on the application of the law.

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

The following businesses and organizations recently registered to lobby in Kentucky**: Boone County Education Association**; **Fayette County PVA**; **Fern Creek Fire Department**; **Graduation Alliance**; **KY Apartment Association**; and **Velocity BioGroup**.

The following organizations recently terminated their registration, and are no longer registered to lobby the Kentucky General Assembly: **Emergent BioSolutions**; **Status Solutions**; and **Verisys Corporation**.

#### ***Commission Office Procedures and COVID-19***

#### Following guidance from federal, state, and local officials regarding the COVID-19 pandemic, the Commission halted in-person services at its Frankfort office as of Tuesday, March 17, 2020.

#### As of **July 1, 2021**, the Commission office re-opened its office to the public. We request that you wear a mask when visiting our office, due to the increased prevalence and transmissibility of the COVID Delta strain at this time. Also, we would be happy to speak to you over the phone or via Zoom.

We encourage you to continue to contact us via the means listed below, and by filing electronically or by scanning paperwork and emailing it to us. If you need to send the Commission copies of paperwork, it is most efficient to scan and email it to the email addresses as listed on the staff page, or fax to the number above.

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 . You may still reach Laura Hendrix, Executive Director, at (502) 573-2910, Emily Dennis, Counsel, at (502) 573-2911, and Lori Smither, Staff Assistant, at (502) 564-9084. You may still reach Donnita Crittenden, Executive Assistant, at the main Commission number (502) 573-2863.

#### 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.

***Lobbying report deadlines and important reminder about reporting bill numbers***

**Wednesday, September 15, 2021** is the next reporting deadline, and all lobbyists and employers are required to file Updated Registration Statements then, for the period of **May 1** through **August 31, 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> .

Additionally, reporting entities are reminded that they are required to report the specific bill numbers that they are lobbying on, as required by the Legislative Ethics Code. If your reports have not adequately reflected bill numbers in the past, please make every effort to reflect bill numbers in updated registration statements going forward.

#### ***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 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!

***Ethics & Lobbying News from around the U.S.***

***Editorial: Enough of Springfield’s Potemkin approach to ethics reform. Beef up the legislative watchdog post.***

**ILLINOIS** —***Chicago Tribune***— Editorial Board  *–* July 19, 2021

Illinoisans have only to look to the disturbingly long queue of former lawmakers charged with crimes or facing federal probes to know that ethics is not the Illinois General Assembly’s strong suit.

There’s former state Rep. Luis Arroyo, who has pleaded not guilty to federal bribery charges, and was allegedly caught on tape trying to bribe another lawmaker while boasting, “This is, this is the jackpot.” Former state Sen. Martin Sandoval pleaded guilty to corruption charges before dying of COVID-19 complications last December. Or how about the cadre of allies of former House Speaker Michael Madigan — including his former chief of staff, Tim Mapes — whose alleged misconduct led to federal charges filed against them amid the ongoing ComEd corruption scandal? Mapes has also pleaded not guilty.

There are others, far too many more.

In theory, a bulwark against wrongdoing by lawmakers should be the Office of Illinois Legislative Inspector General, created in 2003 by the General Assembly. In practice, lawmakers have ensured that whoever holds that post has all the clout of, as current Legislative IG Carol Pope says, “a paper tiger.”

“I thought I could be useful in improving the public’s view of the members of the Legislative Ethics Commission, which oversees her post. “Unfortunately, I have not been able to do so. This last legislative session demonstrated true ethics reform is not a priority. The LIG has no real power to effect change or shine a light on ethics violations.”

Pope’s remarks came in the form of a resignation letter, and it comes as no surprise. Her predecessors, Julie Porter and Thomas Homer, expressed the same exasperation with Springfield’s Potemkin approach to ethics reform.

Porter, who quit in 2019, wrote in a Tribune op-ed that year that the office of legislative inspector general is “broken. The LIG is supposed to be an independent, objective official to whom anyone can go to lodge a complaint about unethical or wrongful conduct by members of the Illinois General Assembly. But the legislative inspector general is not independent. Unless and until the legislature changes the structure and rules governing the LIG, it is a powerless role, and no LIG — no matter how qualified, hardworking and persistent — can effectively serve the public.”

Lawmakers had their chance to beef up the authority of the legislative inspector general, using ideas backed by Pope, Porter and even Homer back in 2014. Those ideas reflect the need to uncouple the post from the hamstringing oversight of the ethics commission, which in fox-runs-the-hen-house fashion, is made up of state lawmakers — the same legislators that the LIG is supposed to police.

What would real reform look like? Give the legislative inspector general the power to issue subpoenas and release reports on lawmakers without the ethics commission’s go-ahead. Broaden the scope of the inspector general’s mission to include alleged wrongdoing outside of lawmakers’ public duties. Expand the ethics commission by adding nonpartisan citizen representation, so that the 4-4 partisan deadlock that thwarts investigations can be broken.

None of these recommendations were included in the weak ethics bill that state lawmakers passed this past spring. The legislation now awaits Gov. J.B. Pritzker’s approval, and instead of signing it he should send it back with a demand to fortify the post with far stronger powers so that it can do more than just wag a finger.

Illinoisans have little trust in how their state is run in part because corruption is a defining characteristic of governance in Springfield. Ethics is something state lawmakers pontificate about when they’re running for office, but then never put into practice once they get to the business of legislating. And as long as that’s the status quo, the pall of greed will continue to drape over state politics.

A stronger legislative inspector general’s office with the requisite teeth to change behavior in Springfield is an ideal way to begin to change that image.

***Lobbying’s load Virginia lawmakers onto private jet to kick off push to loosen slots laws.***

**VIRGINIA** —***Virginia Mercury***— by Ned Oliver *–* July 22, 2021

A coalition of gambling companies hoping to get slot machines back into Virginia convenience stores and bars kicked off its legislative push this week with a private flight for four lawmakers to Chicago.

While the plush jet raised some eyebrows — Virginia politicians have generally eschewed gifts of private air travel after scandal consumed former Gov. Bob McDonnell — organizers said it was strictly an opportunity to learn from Illinois, which broadly legalized video gambling terminals in 2009.

“It was a fact-finding mission,” said Dylan Bishop, the lobbyist who organized the trip on behalf of the new Va. Video Gaming Terminal Coalition, which represents five gambling operators that have collectively given nearly a quarter million dollars to Virginia politicians in recent years, according to the Virginia Public Access Project.

In a letter to other gaming lobbyists last week, Bishop framed video slots and poker as the industry’s best shot at restoring gambling terminals to businesses that were recently forced to shut down so-called skill games after they were banned by the General Assembly.

“Video Gaming Terminals or ‘VGTs’ are Class III slot machines, just like the ones on a casino floor, but they can be installed in the same locations skill games have operated,” Bishop wrote. “VGTs offer better games, more robust regulation and, most importantly, more revenue.”

Skill games function almost exactly like traditional slot machines, but to side-step state gambling laws, they generally incorporated a memory game or some other non-chance-based element, which players often skipped entirely but in theory would allow someone to win their money back on every hand based on skill alone.

The gambit worked for a time. After initially pursuing a ban, the General Assembly and Gov. Ralph Northam allowed them to operate for one year to raise money for COVID-19 relief. But this year lawmakers rebuffed a push to allow the machines to remain indefinitely, citing concerns the terminals were siphoning away profit from the Virginia Lottery.

The fight played out as the state legalized slots parlors operated by Colonial Downs, online sports betting and casino gaming in five cities.

Some lawmakers say they still see a role for slot machines in corner stores and restaurants, citing the $130 million in tax revenue the skill-games raised and the additional profits they brought in for the small businesses that hosted them.

Among them is Sen. Joe Morrissey, who attended the trip to Illinois with Sens. Jeremy McPike, John Bell, and Del. Will Morefield.

“I have a very favorable impression of the VGT industry,” Morrissey said. And while he said he didn’t necessarily approve of the way the skill-game industry slipped through the regulatory back door, he said he did want to support the businesses that saw increased profits as a result of the machines.

“My constituents, my convenience store owners — they really don’t care whether it’s VGT or it’s skill games,” he said. “They want them in there because that’s a source of revenue for them. So I’m going to support it.”

Like Bishop, who organized the trip, Morrissey framed the roughly 36-hour excursion as all-business, beginning with a stop in Effingham, Ill., where J&J Ventures Gaming is headquartered. The company is the state’s most profitable video gambling operator, according to industry press.

Morrissey said 20 minutes after landing in a cornfield, he was in a company conference room talking to company leaders. They then spent two hours touring convenience stores that host the games.

The group then flew into Chicago, where they met with state lawmakers who work on gambling legislation. The lawmakers stayed overnight at the Hyatt Regency Chicago.

“If people were to think they went out there and visited casinos or engaged in gaming — nothing like that happened at all,” Morrissey said. “If people think that it’s a pleasure trip then my response is why don’t you go on it and see it.”

The other three lawmakers who attended did not immediately respond to a request for comment. McPike and Bell both sit on a committee tasked with studying the video gaming industry and Morefield sits on a House subcommittee devoted to gambling.

As for the private jet — a plush, 9-seat charter — both he and Bishop described it as simply the most practical way to complete the planned itinerary. And both parties say the trip was properly reported and in compliance with state ethics laws.

“I don’t care if I go out there by dirigible, airplane or Jeff Bezos’ rocket ship,” Morrissey said. “I’m not driving out there.”

***Ex-South Carolina lawmaker heading to prison for misconduct, perjury in Statehouse corruption probe***

**SOUTH CAROLINA** – ***Charleston Post & Courier*** —by Jessica Holdman and Andy Shain- June 29, 2021

A former state lawmaker from Columbia pleaded guilty June 29 and was sentenced to 18 months in prison for misconduct in office and perjury for lying to the state grand jury as part of the long-running Statehouse corruption probe.

With this conviction, Jim Harrison is believed to be the first former South Carolina legislator to be sent to prison for illegal acts related to his time in office since the Operation Lost Trust scandal, an FBI-led bribery and corruption investigation that in the 1990s ended with 27 convictions or guilty pleas — 17 of them from state legislators.

Harrison had no reaction during the hearing and declined to address the court. His attorney asked that Harrison receive the same sentence handed down when he was originally convicted. That conviction was vacated by the S.C. Supreme Court, setting up the hearing June 29.

The former House Judiciary Committee chairman was convicted in 2018 of secretly profiting from work he did for the influential Richard Quinn & Associates consulting firm, failing to report that he earned nearly $1 million while working for Quinn for 13 years. Harrison said he worked on campaigns, but the investigation found Harrison received cuts of retainers paid to the firm by corporate clients.

The firm had been one the most powerful around the Statehouse until allegations arose that the Quinns made millions by illegally influencing legislation to benefit corporate and political clients. The firm was fined for illegal lobbying as part of the probe.

The S.C. Supreme Court voted 3-2 in January to vacate the original conviction saying that the special prosecutor appointed to the case, Democratic 1st Circuit Solicitor David Pascoe of Orangeburg, overstepped his mandate and should not have pursued misconduct charges against Harrison.

S.C. Attorney General Alan Wilson had recused himself from the case because of a conflict of interest with targets of the investigation, namely Quinn, his one-time campaign manager.

A new special prosecutor appointed by the Attorney General’s Office, 7th Circuit Solicitor Barry Barnette renewed the corruption crimes Harrison pleaded to June 29.

Harrison entered an Alford plea, pleading guilty without admitting guilt, to statutory and common law misconduct in office.

Circuit Judge Carmen Mullen upheld a previous 18-month sentence issued for perjury. Harrison will serve time for all three crimes concurrently.

"She did the right thing,” Pascoe said of the perjury sentence. “It was a good day.”

Harrison, 70, will report to prison, surrendering himself to the state Department of Corrections on July 1, though he’ll likely serve only a fraction of his time due to state laws that allow prisoners to cut down sentences for good behavior and work. Harrison’s attorney also asked for special considerations due to his age and heart-related health ailments.

The Statehouse probe that netted Harrison and others came out of a State Law Enforcement Division report written following an investigation into then-House Speaker Bobby Harrell. The Charleston legislator pleaded guilty in 2014 to misusing campaign cash and agreed to resign from office.

Quinn — once a political adviser to presidential candidates, U.S. Sen. Lindsey Graham and Gov. Henry McMaster — has been indicted twice over the course of the investigation. Quinn also advised top corporations, including AT&T and Blue Cross and Blue Shield of South Carolina, and large state agencies, including the University of South Carolina and the State Ports Authority.

Quinn’s first illegal lobbying and conspiracy charges were dropped in 2017 when his son, former state Rep. Rick Quinn, agreed to plead guilty to a misconduct charge for failing to include a financial conflict on disclosure forms. Rick Quinn served probation and resigned from office as part of his plea.

Richard Quinn then was indicted again about two years ago on 11 counts of perjury and one count of obstruction of justice, accused of lying to the state grand jury.

House Majority Leader Jim Merrill pleaded guilty to a misconduct charge and resigned from office in 2017. He received probation.

Pascoe, during his six year span in charge of the probe, also won a guilty plea on misconduct charges from state Sen. John Courson, who agreed to resign. He yet to be sentenced.

Barnette has taken over to handle lingering corruption and perjury cases against former state Rep. Tracy Edge, of North Myrtle Beach, Courson and Richard Quinn.

***Editorial: State Senate must act on ethics reform bills.***

**MICHIGAN**– ***Detroit News*** — Editorial Board – July 22, 2021

Kudos to the Michigan House for passing a bipartisan ethics reform package last month, but it's now up to the Senate to approve the legislation intended to bring more accountability and better governing practices to Lansing.

Legislators shouldn't delay voting on the proposals to increase oversight and transparency for the Legislature and other state offices and departments, including the governor's office. There are only a few scheduled session days this summer, but this should be a top priority this fall.

House Speaker Jason Wentworth has led this effort, and he deserves credit for getting it this far.

As passed by the House, these proposals would limit lobbyists and require Michigan officeholders to report conflicts of interest without making their finances available to the public.

The bills represent a common-sense approach, balancing the privacy of lawmakers with transparency for citizens who deserve to know if politicians have personal incentives for policymaking.

This isn't the first time similar bills have been introduced, but this should be the time they make it into the law.

"I think that the bills were crafted knowing the history, knowing what has made things difficult in the past," says Rep. Andrew Fink, who introduced legislation that would create a bipartisan ethics committee in each body.

Fink's proposal would create two committees responsible for reviewing confidential financial disclosures and ensuring that legislators don't become lobbyists within two years after leaving office. Even though the bill would not allow the public total access to finances, it is better than what is currently on the books.

The committees would investigate and advise on ethical violations, conflicts of interest and complaints.

The committee system strikes a balance between financial privacy for members while restoring some public confidence. It also removes partisanship from the oversight process by requiring committee leadership change hands every six months and party representation on the committee remain equal.

Senate Majority Leader Mike Shirkey declined to comment on the measures before the Senate, which has previously stalled similar bills.

He told our editorial board in April that while he has been "reluctant to embrace financial disclosures," he supports the structure of separate, bipartisan committees who can review financial conflicts.

The current bills would require lawmakers to file annual conflict of interest reports. These would apply also to the offices of the governor and lieutenant governor, state treasurer, secretary of state, attorney general and members of some state commissions, which would be required to report to the State Board of Ethics.

In addition to these reforms, we would also like to see stronger transparency laws for the Legislature and the governor's office, especially given the Whitmer administration's secretive separation deals discovered earlier this year.

Michigan is among the worst in the country for its lack of government transparency. Lawmakers have a chance to right this wrong, and the Senate shouldn't stand in the way.