

***Highest-ever number of registered employers report near record spending***

**ETHICS REPORTER**

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Kentucky Legislative Ethics Commission

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Lobbying spending in the first two months of 2022 reached $5.34 million, coming close to the 2018 General Assembly’s record high of $5.6 million spent for the same period. A record 837 lobbying employers are registered to lobby the Kentucky General Assembly, and 687 legislative agents are registered.

The **Kentucky Chamber of Commerce** headed up the list of all registered lobbying employers, after spending $84,019 for the first two months of the session. The **Kentucky Hospital Association** came in second, with $83,860. Other top 10 spenders include: **American Civil Liberties Union of Kentucky (ACLU)**($75,162); **Altria Client Services LLC** ($55,620); **Kentucky League of Cities** ($52,682); **Pace-o-matic of Kentucky** ($47,000); **SD USA** ($42,902); **Greater Louisville, Inc.** ($39,615); **Pharmaceutical Care Management Association (PCMA)** ($38,369); and **Kentucky Retail Federation** ($36,732).

Other top 25 spenders during the session’s first two months include: **Anthem, Inc.** **and its Affiliates** ($35,597); **Kentucky Association of Electric Cooperatives, Inc.** ($32,589); **Wine & Spirits Wholesalers of Kentucky, Inc.** ($32,255); **Kentucky Farm Bureau Federation** ($32,223); **Kentucky Automobile Dealers Association (KADA)** ($30,597); **Kentucky Justice Association** ($30,288); **Mountain Comprehensive Care Center** ($28,500); **Kentucky Bankers Association** ($27,890); **Kentucky State Building & Construction Trades Council** ($26,140); **Kentucky Education Association** ($25,905); **Academic Partnerships, LLC** ($25,000); **HCA Healthcare, Inc.** ($24,416); **Kentucky Equine Education Alliance (KEEP)** ($24,217); **Humana, Inc.** ($24,011); and **Humane Society of the United States** ($23,504).

The Legislative Ethics Commission’s searchable register of lobbyists and employers is online at <http://apps.klec.ky.gov/searchregister.asp> Additionally, employers are required, during the legislative sessions, to list specific bill numbers on which they lobby, and a list of those is available on the KLEC website at <https://klec.ky.gov/Reports/Pages/Employers-and-Legislative-Agents.aspx> (under “Bills Lobbied”). Amounts spent on lobbying, required to be disclosed to KLEC 6 times per year, may be found under the same link.

***Newly-registered lobbying employers***

Businesses and organizations which have recently registered to lobby include: **AFLAC**; **American Council of Life Insurers**; **American Staffing Association**; **Ameriprise Financial**; **Bail Project (The)**; **Biogen**; **Broadus Capital**; **Cerner**; **Connected Nation Development Corporation**; **ES Barr & Co.**; **Financial Planning Association**; **Finseca**; **Frankfort Independent Schools**; **Genesis Health Technologies, LLC**; **Jefferson County Farm Bureau**; **Kentucky Aviation Association**; **Kentucky LECET**; **Kentucky Pork Producers Association**; **Kentucky RV Coalition**; **Lexia Learning Systems LLC**; **Life Sciences Lab Coalition**; **Louisville Orchestra**; **Marian Group (The)**; **Mastercard International, Inc.**; **Math Nation**; **MC Global Holdings LLC**; **Mid South Capital Partners, LP**; **National Center for Missing & Exploited Children**; **Nokia Enterprise**; **141 Well Co, LLC**; **Port of Louisville**; **Real Alloy Recycling, LLC**; **Revolutionary Racing**; **Safari Club International Kentuckiana Chapter**; **Securities Industry & Financial Markets Association**; **Service Contract Industry Council**; **7-Eleven**; **Sunrise Treatment Center**; **United Auto Workers, Region 8**; and **Zillow**.

Organizations terminating their registration and no longer lobbying are: **Kindred Healthcare, Inc.**; **IBM**; and **Stelco, Inc.**

***Financial disclosures of Legislators & Candidates available on Ethics Commission website***

As provided in the Legislative Ethics Code, all legislators and candidates for the legislature must file financial disclosure statements. These financial disclosure statements are posted on the Legislative Ethics Commission’s website at <https://klec.ky.gov/Reports/Pages/Legislators-and-Candidates.aspx> .

***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 also 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. The Commission staff are available for in-person training as well, so give us a call if needed.

***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!

##### ***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. 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 below.

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 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 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.

***Reminder about lobbying report deadlines***

By **Friday, April 15, 2022** all lobbyists and employers are required to file Updated Registration Statements for the period of March 1 through March 31, 2022**.**

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>

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

***Tennessee House Speaker, other lawmakers testify before federal grand jury***

**TENNESSEE** – ***The Tennessee Lookout***– by Sam Stockard — March 29, 2022

House Speaker Cameron Sexton said Monday he gave “factual information” to a grand jury investigating political corruption and confirmed he is not a “target” in the federal probe.

Sexton was among at least five lawmakers subpoenaed to testify before the grand jury, including Reps. Jason Zachary of Knoxville, Bud Hulsey of Kingsport, Patsy Hazlewood of Signal Mountain and Esther Helton of East Ridge.

Legislative Administration Executive Director Connie Ridley also went before the grand jury Monday.

Zachary previously declined to confirm he was subpoenaed, saying only, “I know what you know.” He showed up, though, at the federal courthouse to provide testimony, according to reports.

Hazlewood initially said she had not been subpoenaed but then saw she had received a subpoena by email after talking to reporters.

Sexton, a Crossville legislator in his third year as House Speaker, declined to give reporters details about his testimony but reiterated that he was called to give “factual information,” according to news reports.

“I think it’s important to remember I think grand juries, state and federal, are unique and different, and the federal process requires an individual to be subpoenaed to either (be) one of three people. One’s a target. I’m not a target, never received a target letter. Another one is a suspect, which I am not. And then third is a witness that provides factual information, a factual witness per se. Today, my role is to provide information and be a factual witness, which I happily did and answered all the questions under oath,” Sexton told news reporters outside the building in downtown Nashville.

Federal agents are putting together a case involving the creation of a political vendor that gave kickbacks to lawmakers and possibly political bribery surrounding the 2019 education savings account vote.

Sexton has said he has been cooperating with federal agents since he won election to the Speaker’s post in the fall of 2019 following the resignation of Rep. Glen Casada amid a sexist and racist texting scandal and complaints about his management style.

Sexton’s testimony comes on the heels of the resignation of Rep. Robin Smith when she pleaded guilty to a wire fraud charge three weeks ago.

Smith and Casada, who was identified in federal documents as a former House Speaker from January 2019 to August 2019, used their positions in the Legislature to persuade House members to do business with a new campaign vendor called Phoenix Solutions, according to federal documents. As part of her guilty plea, Smith is cooperating with federal agents.

Smith, Casada and first-term Rep. Todd Warner were targets in a January 2021 raid by FBI agents.

Smith’s guilty plea identifies the operator of the business as the former House Speaker’s ex-chief of staff, Cade Cothren, who resigned amid scandal. Cothren gave Smith and Casada kickbacks for more than $200,000 worth of business steered to him, according to the federal documents.

The House Caucus spent tens of thousands of dollars with a man named Matthew Phoenix, believed to be Cothren, yet nobody within the caucus had a face-to-face meeting with the owner of Phoenix Solutions.

Hulsey said previously he believed he was subpoenaed because he did business with Casada’s consulting firm, Right Way Strategies. Helton said she believed she was called to testify because she used Phoenix Solutions, and Hazlewood used the vendor too, but then said later she would not have used it if she’d known who was involved.

Zachary said last week he had used Right Way Strategies, too, and told a Knoxville publication he didn’t think his subpoena had anything to do with flipping his vote in the 2019 voucher ordeal.

Rep. Kent Calfee of Kingston has told The Tennessee Lookout two times he heard Casada discuss giving Rep. John Mark Windle a promotion in the National Guard in return for his vote. Calfee also said he heard Casada say he would call the governor and talk to him about making Windle a general.

Casada has said he didn’t have the authority to give anyone a promotion in the National Guard.

Yet, Calfee said the governor called him to his office to talk about the matter and told him comments he’d made about Casada and an offer to Windle “reflected poorly on him.” The governor told Tennessee Lookout on two separate occasions he didn’t know anything about the meeting Calfee described.

Calfee has said he believes federal agents are conducting three investigations into the Legislature.

In fact, several lawmakers used Phoenix Solutions for campaign work and to handle their taxpayer-funded mailers.

House Caucus Chairman Jeremy Faison said last week he suspected Phoenix Solutions was questionable almost from the time it surfaced as a player in the 2020 primary elections.

“I had concerns from early on, expressed my concerns. They searched down the concerns that I brought and there were fake answers given, lies, manipulations. But they were to the (satisfaction) of the caucus campaign finance committee,” said Faison.

He later told the Chattanooga Times Free Press that when he challenged the validity of the vendor, Smith ran against him for the position of caucus chairman. He also called Phoenix Solutions “bull—-.”

Phoenix Solutions used the same mode of operation as two other new entities in the 2020 election, Alabama-based Dixieland Strategies and the Faith Family Freedom Fund, as well as the same Hamilton County postal code, 383.

A former girlfriend of Cothren’s testified he persuaded her to organize the Faith Family Freedom Fund political action committee so he could run it. A North Carolina restaurant owner, who has not been found, donated the money that was used to attack former Rep. Rick Tillis of Lewisburg in his race against Warner of Chapel Hill.

Warner defeated Tillis in the race, and a Tillis campaign worker filed a complaint that the Faith Family Freedom Fund PAC illegally coordinated with the Warner campaign.

The Tennessee Registry of Election Finance has turned that matter over to the Williamson County District Attorney’s Office and asked the Attorney General’s Office to bring in Cothren to testify. He refused to testify after being subpoenaed by the Registry board, invoking his Fifth Amendment right to avoid incriminating himself.

***Alleged threats by Wyoming legislators lead to calls for civility***

**WYOMING**– ***Wyoming Tribune Eagle***– by Jonathan Make — March 17, 2022

Amid new allegations of a state legislator making verbal threats, some who do business in the Capitol here are seeking a return to greater civility.

On Tuesday, news emerged that state Rep. John Romero-Martinez, R-Cheyenne, allegedly threatened, in speaking with others, the lives of Rep. Andi LeBeau and former Rep. Sara Burlingame.

On Wednesday, Burlingame and LeBeau confirmed to the Wyoming Tribune Eagle the details of what they recounted having heard via a third party. This person was said to have heard Romero-Martinez threaten to potentially take their lives, as well as his own life.

Following the allegations, the speaker of the Wyoming House of Representatives, Eric Barlow, issued a statement.

It said, in part: “As Speaker, I take seriously my duty to promote civil, respectful and non-threatening discourse. I will utilize every resource at my disposal to protect the health and safety of all those who conduct business with the Wyoming House.”

Barlow, Romero-Martinez and others did not answer questions or comment for this article. State and local police reports on the incident were not available.

In recent days, legislative leaders had separately asked a Senate panel to consider whether to launch a formal investigation into allegations recently brought against Sen. Anthony Bouchard. Just last week, the full Senate had stripped Bouchard of his committee assignments.

Now, what some in Cheyenne and elsewhere regard as declining civility nationwide appears to also be affecting political discourse among Wyoming politicians.

Following Barlow’s statement Wednesday, Burlingame, LeBeau and a national expert said in interviews that these recent events point to the need for a return to respectful dialogue among people who sharply disagree on politics and policies. Some noted that national political discourse also has suffered due to increased verbal, and sometimes even physical, attacks on ideological opponents.

Burlingame and LeBeau said a lobbyist had apparently heard Romero-Martinez make the threats. Following that, the lobbyist was described as acting to sound the alarm.

Romero-Martinez was described as seeming “to be having some sort of mental health crisis, he was very agitated,” Burlingame recounted.

She cited what she said was her conversation with the lobbyist, who was not identified other than someone with a law enforcement background.

The lobbyist “reported to me that (Romero-Martinez) had threatened to kill me and Rep. LeBeau and himself,” said Burlingame, who is Wyoming Equality’s executive director.

Romero-Martinez was apparently saying that he believed that Wyoming Equality “was a front for a secret ring of pedophiles, and that I was the head of it, and that we were aligned against him because he had information about our real activities, which were criminal and deviant,” according to Burlingame.

After speaking with the lobbyist, Burlingame said she then informed LeBeau.

In turn, LeBeau said she was disappointed that the Legislature’s leadership did not initially tell her of the allegations.

Of being officially informed, “it only happened after it was brought to my attention by Sara … and she was concerned for my safety,” LeBeau recalled. “I’m just upset with the process.”

According to Burlingame, the third party who had informed her of the alleged threats had also reported this to the Wyoming Highway Patrol. That agency contacted her by email Monday, saying that such a report was not in their jurisdiction.

Burlingame said she was referred to the Cheyenne Police Department, and so she reported the incident to CPD. Two department representatives confirmed to the WTE that such a report was made.

In his written statement, Barlow also said that he learned of the situation “late on March 10. ... Along with other members of the House of Representatives leadership, I spoke with individuals involved in this incident to better understand the nature and context of this situation.

“Additionally, to ensure the safety of the members of the Wyoming Legislature and all those interacting with the Legislature, I requested law enforcement personnel from the Wyoming Highway Patrol who provide security in the Wyoming Capitol to interview the persons involved.”

Wyoming has been known for its civility in public life, despite the U.S. political divide. All those the WTE spoke with hope for a higher level of civility to return to the Equality State.

“I can tell a difference between my first term to my second” when it comes to people with different views getting along personally, LeBeau said. “There have been some struggles with reaching civility in the state Capitol.”

“People are struggling, society is struggling,” the lawmaker said.

What apparently happened to her on the last day of the 2022 Legislature, when she heard about the situation, spurs her “to try to get behind issues of treating each other with respect and agreeing to disagree, but to do that respectfully.”

“I like our freedoms here in Wyoming, too. I like that we have this ‘Live and Let Live’” philosophy, she said. “But we do it with respecting one another.”

“Civility in the Legislature waxes and wanes” and at times “it was even worse than it is now,” said Burlingame.

In other periods, she added, “there is even (a much greater) investment in civility.”

In “Wyoming, by and large, we are more civil, we are more neighborly than other places” and that is a genuine thing, she said.

The former lawmaker, in part, blamed people from out of state who are not familiar with the extent of these positive attitudes moving here and getting involved in politics.

A political expert said social media was partly to blame for amplifying excessive and sometimes violent rhetoric, undisclosed funding paying for anonymous political communications that attack others and additional factors.

This expert, Common Cause Senior Director of Legislative Affairs Aaron Scherb, described the lessened ability for polite discourse as being “a multifaceted problem that leads to increased incivility.”

He noted that this is “part of a trend nationwide that we’re seeing in many states – a ratcheting up not only of the rhetoric, but, unfortunately, violence, in some cases.” Taking lessons from civics education to heart can help raise the bar for discourse.

“We all have a responsibility to promote debate and to be dispassionately passionate about the issues that we care about,” Scherb said. “That starts with civics education so the people can understand we all have a role in furthering our democracy” and “we have to work at it every day.”

Romero-Martinez’s relationships with the two people he reportedly threatened also was described as having been civil up until the apparent threats.

For instance, on Tuesday, March 8, when legislators were meeting in their budget session last week, Romero-Martinez attended a lunch hosted by Wyoming Equality, Burlingame said.

They “had a pleasant, cordial conversation,” she said. “I had no idea that he harbored any ill will toward me, certainly not any murderous intentions. We have always had a very cordial relationship. Election Day in 2020, I took him and his campaign manager out to lunch.”

“I knew that there were tensions between me and John Romero,” LeBeau said. “There was nothing different other than we disagreed.”

The latest disagreement apparently was about a draft bill dealing with a treaty affecting Native Americans that LeBeau said Romero-Martinez wanted her to help sponsor.

LeBeau grew up on and still lives on a reservation and oversees human resources for the Wind River intertribal council. LeBeau herself is a member of the Northern Arapahoe tribe.

***Kenyatta Johnson corruption case heads to trial after pandemic delays***

**PENNSYLVANIA**– ***WHYY News/Plan Philly***– by Aaron Moselle— March 18, 2022

Philadelphia City Councilmember Kenyatta Johnson and his wife, political consultant Dawn Chavous, are headed to court on Monday, more than two years after they were charged in a federal fraud and racketeering case.

The couple will be joined by Abdur Rahim Islam and Shahied Dawan, two former executives at Universal Companies, a prominent nonprofit real estate developer and charter-school operator headquartered in Johnson’s legislative district.

Federal prosecutors say the co-defendants participated in a tangled quid pro quo that saw Johnson use his council seat to help Universal in exchange for a series of bribes concealed as payments to Chavous’ consulting firm, which the nonprofit had hired.

Johnson and Chavous each face up to 40 years in prison. Both have maintained their innocence, with Johnson calling himself a “victim of overzealous federal prosecutors.”

“My client acted in the exact same way he would have acted irrespective of any contracts that Dawn Chavous had. Didn’t take them into consideration one way or the other. Did what he thought was appropriate under the circumstances and was best for his community and stands behind his actions,” said Patrick Egan, Johnson’s defense attorney.

The case is slated to take at least three weeks, and could result in City Council losing a second sitting lawmaker to public corruption this year, a level of ignominy not seen since the Abscam scandal in the early 1980s when three members faced federal indictments. In January, Councilmember Bobby Henon resigned after he was convicted of bribery and conspiracy alongside powerful labor leader John “Johnny Doc” Dougherty.

**Quid pro quo or councilmanic prerogative?**

Johnson’s fate is tied to valuable real estate Universal owned in South Philadelphia. One property was allegedly sold to help Universal pay off a debt connected to a separate scheme to expand its charter school operation beyond Philadelphia.

Prosecutors say the nonprofit paid Chavous nearly $67,000 in consulting work so her husband would help it maintain control of the former Royal Theater on South Street, as well as a set of parcels on Bainbridge Street, which Universal got cheap from the city under an agreement to develop single-family homes on the land.

Chavous allegedly transferred the money to a personal account she and Johnson used to make mortgage, loan, and credit card payments, according to the indictment, which also contends that Chavous did “very little work” in exchange for the payments from Universal.

Chavous denies that claim, describing the challenge to her “work, ethics, and integrity” as “devastating.”

“I’m confident when this is over, the fact will reveal that I have done nothing wrong and my name and my family’s name will be cleared so we can put this behind us,” said Chavous in a written statement released in response to the indictment.

Prosecutors assigned to the case declined to comment.

In 2000, while Islam was CEO of Universal, the organization acquired the Royal Theater from the Preservation Alliance for Greater Philadelphia. The nonprofit planned to stabilize and develop the historic property as an anchor for a cultural district.

But by 2008, the building remained undeveloped, leading Universal to explore alternatives.

None of them panned out, including an attempt to sell the building.

By spring of 2013, Universal was filing an application with the Philadelphia Historical Commission so it could demolish the crumbling theater and build something from scratch. In its application, the nonprofit explained that the building had become a “financial hardship” because of the way it was zoned, according to the indictment.

That May, a neighbor filed a conservatorship petition with the hope of having a judge award the blighted theater to another developer.

Universal hired Chavous the same month.

In 2014, while Johnson’s wife was still under contract with the nonprofit, Johnson introduced zoning legislation to alter the parking requirements and height maximums for the theater. The move, which essentially extinguished the conservatorship effort, came days after Chavous deposited a $17,000 check from Universal, according to court documents.

The nonprofit later sold the decrepit theater, netting $2.7 million after paying closing costs, real estate taxes, and other expenses.

The theater has since been converted into apartments and a restaurant fronting South Street.

**A “hijacked” nonprofit**

The same year Johnson introduced the zoning bill, he effectively stopped the city from reclaiming vacant land Universal owned on the 1300 block of Bainbridge Street. This occurred after Universal violated its 2005 agreement with the Philadelphia Redevelopment Authority, which required the nonprofit to build 109 single-family homes on the land.

According to the indictment, Johnson told PRA officials he didn’t support the city’s efforts to take back the land shortly after his wife alerted Universal about them. Prosecutors say Johnson’s decision had a “chilling effect” on the process, in part because of councilmanic prerogative. The long-standing practice effectively gives council members the final say over development in their districts.

David Laigaie, Islam’s attorney, declined to comment.

The corruption case will also focus on crimes allegedly committed by the former CEO and Dawan, the nonprofit’s CFO, in service of Universal’s charter school expansion, as well as their personal bank accounts.

“In essence, this indictment charges that Universal Companies was hijacked by Islam and Dawan and turned into a criminal enterprise,” said U.S. District Attorney Jennifer Arbittier Williams in January 2020.

Starting in December 2014, prosecutors say the pair bribed Michael Bonds while he was serving as president of the Milwaukee Board of School Directors. Bonds, who was convicted in 2019, pleaded guilty to accepting $18,000 from Universal in exchange for his help making the nonprofit’s expansion into the city a reality.

Bonds’ actions included motioning the school board to approve more favorable lease terms for the charter schools they opened there, even as the nonprofit was struggling to fund the expansion. Islam and Dawan allegedly disguised the bribes as payments to a bookstore Bonds owned.

The government also accuses the pair of enriching themselves with Universal’s money, as the company was “hemorrhaging” cash. According to the indictment, the men stole more than $300,000 from the nonprofit, with Islam and Dawan often listing the unauthorized withdrawals as “bonuses.”

Islam also submitted his personal car insurance for reimbursement, as well as political contributions, personal vacations, and gym memberships.

As CEO of Universal, Islam earned $170,000 a year. Dawan’s salary was $160,000.