

# The Ethics Reporter

MAY 2023

KENTUCKY LEGISLATIVE ETHICS COMMISSION  
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KLEC.KY.GOV

## 2023 lobbying spending continues record pace

### Did you know?



The next filing date for employers' and legislative agents' spending disclosures is **Friday, September 15, 2023.**

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



*Do unpaid lobbyists have to register?*

*Answer on page 4*

For the first 4 months of 2023, lobbying interests set a new spending record of \$11,417,376, surpassing 2022's record of \$11.131 million for the same time period. This is significant as it was also for a "short session" year. Advertising spending on legislation of \$1,055,098 helped clinch this milestone.

847 lobbying businesses and organizations registered to lobby in Kentucky, spending \$11.137 million. 679 lobbyists were paid \$9.5 million in compensation, and reported \$276,678 in expenses.

The top two overall lobbying spenders maintained their previous standings of last month. **KY Merchants and Amusement Coalition, Inc.** (KMAC) reported no change from last month, spending \$483,324. The second highest spender, at \$348,763, **Kentuckians Against Illegal Gambling**, expended only \$500 additional since last month's total.

The third highest spender is **KY Chamber of Commerce** (\$198,981), with the majority of this expense going to lobbyist compensation (\$185,067). Next is the **American Civil Liberties Union of KY (ACLU)** (\$141,004), followed by **Pace-O-Matic of KY** (\$110,150).

The rest of the top 10 are: **KY Medical Association** (\$98,047); **KY Hospital Association** (\$95,946); **Altria Client Services LLC** (\$94,182); **Keeneland Association, Inc.** (\$87,586); **LG&E and KU Energy LLC** (\$85,161).

The remaining top 20 spenders are: **Greater Louisville, Inc.** (\$79,407); **Duke Energy** (\$77,920); **KY League of Cities** (\$73,133); **Elevance Health & Affiliates DBA Anthem Inc.** (\$66,068); **KY Retail Federation, Inc.** (\$62,607); **KY Bankers Association** (\$55,780); **KY Power Company** (\$55,720); **Sports Betting Alliance** (\$54,644); **Fairness Campaign** (\$54,389); and **KY Distillers' Assn.** (\$53,188).

Lobbying interests spent \$221,555 on receptions, meals and events for legislators and legislative staff in the

first 4 months of the year. The top 10 spenders in this category were: **KY State Police Professional Association** (\$10,123); **Cincinnati/NKY International Airport** (\$8,210); **U.S. Precedent** (\$7,258); **Sazerac Company** (\$7,810); **KY Chamber of Commerce** (\$7,055); **KY Aviation Assoc.** (\$6,388); **KY Assn. of Indep. Recovery Organizations (KAIROS)** (\$6,611); **KY Coal Assn** (\$6,083); **KY Oil & Gas Assn.** (\$6,083); and **Revolutionary Racing** (\$5,359).

Individual events had significant costs as well. The top 10 events from January through April, by expense, to which all legislators were invited (unless otherwise noted) were: **KY Chamber of Commerce & other sponsors' Chamber Day Dinner** (\$18,379); **KY Coal Association, KY Oil & Gas Association, and other sponsors' reception** (\$14,166); **Sazerac Company & Commonwealth Alliances (Julia Crigler, Katherine Hall, Patrick Jennings & Collin Johnson) Reception** (\$11,755); **Top Shelf Lobby "Welcome Back to Frankfort" reception\*** (\$10,728); **KMAC & Pace-O-Matic luncheon** (\$8,100); **KAIROS breakfast** (\$6,611); **Northern KY Chamber Day event, to which the Northern Kentucky Caucus was invited, paid for by Amazon, Cincinnati Bell, Cincinnati/NKY International Airport, Delta Airlines, and Saint Elizabeth Healthcare** (\$5,210); **KY Health Departments Assn. luncheon** (\$5,209); **Revolutionary Racing dinner at Frank & Dino's, Lexington, to which the Mountain Caucus and the 16-member Legislative Research Commission (LRC) were invited** (\$5,059); and a **Churchill Downs Incorporated "CDI Opening Night Event"** to which the Interim Joint Committee on Licensing & Occupations and the LRC were invited (\$4,648).

\*full list of sponsors previously noted in March 2023's *Ethics Reporter*

## New and terminated lobbying employers

Several organizations recently registered to lobby legislators in Kentucky: **Apex Clean Energy, Inc.**; **City of Pikeville, KY**; and **Louisville Nonprofit Coalition**.

Organizations recently terminating their lobbying registration are: **American Assn. of Public Insurance Adjusters**; **American Kratom Association**; **ARQ**; **Community Assn. Institute**; **Heritage Bank**; **HHR Kentucky LLC**; **Liberty Utilities**; **Louisville Numismatic Exchange, Inc.**; **Muhlenberg Alliance for Progress**; **National Assn. of Public Insurance Adjusters**; **People United for Privacy Foundation (PUFPF)**; **Pew Charitable Trusts**; **Professional Insurance Agents of Kentucky**; and **Service Contract Industry Council**.

## Final sentences issued in SC Statehouse ethics scandal cases

SOUTH CAROLINA-Charleston Post & Courier-by Jessica Holdman-April 27, 2023

A South Carolina judge sentenced two former state lawmakers on April 27, bringing an end to proceedings in an eight-year Statehouse corruption probe that ensnared six politicians and a leading political operative.

Circuit Court Judge Carmen Mullen sentenced former state Sen. John Courson to a year of probation with 100 hours of community service.

In her sentencing of former state Rep. Tracy Edge, Mullen gave him a choice: six months in prison or a fine of \$500. Edge accepted the fine and plans to pay it in the morning, according to his attorney, Joe McCulloch.

Both former lawmakers saw reduced sentences for cooperating with prosecutors running the sweeping ethics investigation that began in 2014.

The probe was led by 1st Circuit Solicitor David Pascoe, named special prosecutor in what started as an investigation of one of the state's most powerful politicians, then-House Speaker Bobby Harrell. Harrell would resign in October 2014 and pleaded guilty to six counts of misusing his campaign account for personal benefit.

In the process, Pascoe uncovered more possible corruption in the General Assembly and proceeded, against the wishes of Attorney General Alan Wilson, with a grand jury investigation to target others, including Courson; Edge; former House Judiciary Committee Chairman Jim Harrison; former Rep. Rick Quinn; as well as Quinn's father, Richard Quinn, one of South Carolina's top political kingmakers. Barry Barnette, the 7th Circuit Solicitor, took over the proceedings around 2018.

Courson's and Edge's court appearances, at the Beaufort County Courthouse, follow the sentencing of Richard Quinn last week.

While the 74-year-old former consultant initially dodged criminal charges in the corruption probe, he would later plead guilty to 11 counts

of perjury and obstruction of justice charges accusing Quinn of lying during two appearances before the State Grand Jury in cases against former state lawmakers. Quinn entered an Alford plea, in which he did not admit guilt but agreed a jury would likely convict him. Mullen sentenced him to 18 months home detention.

Courson, 78, pleaded guilty in 2018 to one count of willful misconduct in office but was not sentenced until now as prosecutors sought to close out the proceedings against Richard Quinn.

Edge, 56, made a deal to plead guilty to perjury after he failed to report a portion of his campaign finances to the State Ethics Commission. McCulloch called the plea agreement "reasonable" and said his client was glad the proceedings, which were a source of anxiety and health issues for Edge, have come to an end.

Pascoe called the probe "a very long odyssey" and said Barnette "was the right man for the job" to bring the proceedings to a close.

Rick Quinn, the son of Richard Quinn, pleaded guilty to misconduct in office and resigned in 2017. He served 500 hours of community service and two years of probation.

Previous corruption charges against Quinn's father, including illegal lobbying and conspiracy, were dropped in as part of his plea negotiation with Rick Quinn. At the time, Richard Quinn's political consulting firm, Richard Quinn & Associates, agreed to pay fines and restitution totaling \$5,500 for illegal lobbying.

Richard Quinn also would agree to provide the grand jury testimony, which would ultimately result in the perjury charge indictment against him in 2019.

Harrison, the other former lawmaker caught up in the probe, was sentenced to 18 months in prison on perjury and misconduct in office charges in 2021. He was paroled after serving roughly five months.

Harrison ultimately was the only person to receive a prison sentence in the yearslong investigation.

"What I hope is that this has brought about cultural change in Columbia and we never see anything like what (these lawmakers) did again," Pascoe said.

The Post and Courier was unable to reach Rose Mary Parham, Courson's attorney, for comment.

*"The deadliest enemies of nations are not their foreign foes; they always dwell within their borders. . . . The nation blessed above all nations is she in whom the civic genius of the people does the saving day by day, by acts without external picturesqueness; by speaking, writing, voting reasonably; by smiting corruption swiftly; by good temper between parties; by the people knowing true men when they see them, and preferring them as leaders to rabid partisans or empty quacks."  
-William James*

## A year after scandal, Nebraska Legislature revises its workplace harassment policy

NEBRASKA—*Omaha World-Herald*—by Erin Bamer—May 23, 2023

Over a year after a scandal rocked the Nebraska Legislature, lawmakers adopted a handful of changes to its workplace harassment policy, although some say there's still more work to be done.

The Legislature's Executive Board voted unanimously Wednesday to adopt six changes to the harassment policy and one change to its leave of absence policy. One change makes clear that officials don't have a "reasonable expectation of privacy" regarding improper use of the Legislature's technology or network.

The changes were developed after the revelation that former State Sen. Mike Groene took photos of a former female staff member without her knowledge. Soon after, Groene resigned from the Legislature, and a later investigation found that Groene's conduct was "boorish, brainless and bizarre," although not unlawful.

The scandal spurred the creation of an interim ethics committee, which was tasked with considering ways to prevent such misconduct in the future.

The committee was comprised of six lawmakers, chaired by then-Speaker of the Legislature Mike Hilgers, who is now Nebraska's attorney general. Hilgers said the committee met half a dozen times during 2022, along with two meetings with an ad

hoc committee of legislative staffers.

The ethics committee approved 11 official recommendations to the Executive Board, including a list of proposed policy changes, additional harassment training for all staff, a formal code of conduct, a social media policy and establishing an independent general counsel to work with the Legislature in the event of conduct or ethics complaints.

Of the 11 recommendations, the board on Wednesday approved two dealing with workplace harassment policy. Executive Chair Tom Briese of Albion said the board would likely meet in the future to consider more of the committee's recommendations.

The approved recommendations call for notifying employees who file complaints about the options available to them outside the Legislature's policy, including reporting to law enforcement, and clarify that they have the right to go public with their complaints at any time.

The other approved changes were recommended by attorney Tara Paulson, who led the investigation into Groene's conduct. Her changes were mostly related to inappropriate use of technology, including allowing forensic searches of personal or legislative tech-

nology when relevant to an investigation. She also recommended that complainants be able to request a paid leave of absence.

Board members largely praised the proposed changes. Speaker of the Legislature John Arch said he specifically appreciated the clarification about the use of electronics, saying the previous lack of clarity made things difficult while investigating the Groene allegations.

"There was a lot of unknowns because nothing was clear," Arch said.

Sen. Julie Slama of Dunbar backed the change that provides paid leave for complainants. However, she also argued lawmakers could go further.

Under the current policy, she noted, there are only three ways to punish a lawmaker for misconduct: a formal condemnation, censure or expulsion. She said other options should exist.

"I just don't feel like as if there's a good bucket for the Nebraska we see," Slama said.

Briese agreed that there was more work to be done in this area. One recommendation, he said, was to create a code of conduct — and while he said Wednesday that that step could turn problematic, it also could be beneficial if done properly.

"Maybe we need to be looking at something like that to try to ensure that our behavior is behavior that Nebraska can be proud of," Briese said.

## A former Illinois State Senator convicted in corruption scheme gets new job — state lobbyist

ILLINOIS—*WBEZ Chicago*—by Dan Mihalopoulos—May 10, 2023

Eleven days after serving a federal prison term for corruption, a former Illinois legislator from Chicago's western suburbs registered as a state government lobbyist last month, according to federal and state records.

Ex-state Sen. Thomas Cullerton pleaded guilty last summer in federal court to embezzling funds from a labor union and was sentenced to more than a year in prison. But he enjoyed early release after about seven months behind bars on April 14, according to the federal Bureau of Prisons.

Now, state records show Cullerton registered on April 25 as a lobbyist with Strategia Consulting of Itasca, a public relations and government affairs firm whose current client list includes two western suburban

municipalities. On Strategia's website, Cullerton is described as the firm's chief public affairs officer.

Cullerton did not reply to messages from WBEZ. But Lissa Druss, Strategia's founder and chief executive, said, "People make mistakes. Tom is taking this opportunity to pay back his restitution, but more importantly, our firm is getting involved in a [prisoner] reentry program, and Tom will be volunteering some of his time to help returning citizens."

Druss added, "Tom is a good person. He was a talented and successful legislator. He's been a longtime friend. He's a friend to many." Druss declined to respond when asked which clients Cullerton was working for in Springfield.

In 2019, Cullerton was charged in a 41-count federal embezzlement and conspiracy indictment related to an alleged scam where he received payments from a Chicago labor union for little to no work, extortion and tax fraud charges in 2019. Despite initially denying the charges, and remaining in the Legislature for years after his indictment, Cullerton eventually resigned from the Illinois Senate in February 2022, and he was sentenced last June to a year and a day in prison.

Federal prisons officials said Cullerton began serving his sentence on Aug. 31 and was let go from a lock-up in Kentucky a month ago under provisions of a law that allows early release under certain circumstances.

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NEXT MEETING OF THE  
COMMISSION

The Kentucky Legislative Ethics Commission's next regular meeting is scheduled for Tuesday, June 20, 2023 at 9:30 a.m. Capitol Annex, Room 171 in 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](http://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](http://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. We are pleased to report that all legislators filed timely.

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

Lobbying spending disclosures may be found on KLEC's website at [klec.ky.gov/Reports/Pages/Employers-and-Legislative-Agents.aspx](http://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](http://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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## KENTUCKY LEGISLATIVE ETHICS COMMISSION

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### Trivia Answer

**No. Only lobbyists who are compensated, and their employers, must register.**