

The Ethics Reporter

MAY 2024

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

Did you know?



The next filing deadline for employers' and lobbyists' spending disclosures is **Monday, September 16, 2024.**

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



*When did
Kentucky first
enact a lobbying
law?
Answer on page 4*

Lobbying spending sets record for a legislative session

Kentucky lobbying spending for the first four months of 2024 hit an all-time record of \$12,421,079. This reflected intense interest on various bills and the passage of budget measures during the 2024 Regular Session. The previous record for the same time frame was \$11.4 million, set last year.

909 businesses and organizations registered to lobby in Kentucky, spending \$12.056 million. 707 legislative agents were paid \$10.8 million in compensation, which was the majority of the employers' spending, and lobbyists also reported \$365,218 in expenses.

The top 5 organizations in total spending for this time period were: **KY Chamber of Commerce** (\$201,292); **American Civil Liberties Union of KY (ACLU)** (\$150,726); **KY Assn. of Electric Cooperatives, Inc.** (\$129,417); **LG&E and KU Energy LLC** (\$123,428); and **KY League of Cities, Inc.** (\$109,113).

Rounding out the top 10 were: **KY Hospital Association** (\$105,491); **Greater Louisville, Inc.** (\$104,900); **Pharmaceutical Care Management Assn. (PCMA)** (\$102,694); **Duke Energy** (\$100,577); and **Altria Client Services LLC** (\$99,920).

The rest of the top 20 included: **East KY Power Cooperative Inc.** (\$85,634); **Frankfort Plant Board** (\$81,033); **Kentuckians for the Commonwealth** (\$79,318); **Elevance Health and Affiliates DBA Anthem, Inc.** (\$78,946); **KY Retail Federation, Inc.** (\$77,901); **KY Justice Association** (\$67,142); **KY Education Association** (\$65,182); **KY Primary Care Association** (\$64,138); **Americans for Prosperity** (\$62,788); and **KY Medical Association** (\$62,440).

During this period, registered lobbying employers with the top 5 highest total amounts spent on legislative receptions, meals and events were: **Kentucky State Police Professional Association** (\$9,355); **Revolutionary Racing** (\$8,198); **National Utility Contractor Association of KY** (\$8,170); **Opticians Association of KY** (\$8,145); and, tied for 5th, **KY Oil & Gas Association** and **KY Coal Association** (\$6,400 each).

During March and April, 2024, several lobbying organizations held receptions, meals, and events to which legislators and legislative staff were invited. The top 5 expenses on individual events during this period were:

- \$8,170 by **National Utility Contractor Association of KY**, for a March 12 breakfast for legislators and staff in the Capitol Annex.
- \$8,145 by **Opticians Association of KY**, for a March 7 lunch for legislators and staff in the Capitol Annex.
- \$7,648 by **Revolutionary Racing**, for a March 4th reception at Vallozzi's in Versailles, KY, to which the members of the Mountain Caucus, Interim Joint Committee on Licensing and Occupations, and Legislative Research Commission were invited.
- \$5,454 by **Teach for America Appalachia**, for a March 6 breakfast for legislators and staff in the Capitol Annex.
- \$4,569 by **KY Travel Industry Association**, for a March 6 luncheon for legislators in the Capitol Annex.

Lobbying organizations are also required to report spending on advertising that appears during a legislative session, which supports or opposes legislation. This session, organizations registered to lobby spent \$431,963 on such advertising. The top 5 in spending on advertising during the 2024 session are:

- **KY Assn. of Electric Cooperatives** (\$73,599) -"Veto activation" and "campaign to support efforts to protect reliable affordable power in Kentucky", directed at Electric Cooperative Members, re: SB 349.
- **Pharmaceutical Care Management Assn. (PCMA)**(\$70,600)-"Statewide digital ads and phone calls to specific districts", directed statewide, re: SB 188.
- **LGE & KU Energy LLC**(\$40,100)-"Public education on industry issues opposing energy policy and digital media", directed statewide, re: Energy policies and SB 349.
- **Duke Energy**(\$40,100)-"Social media ads/Digital targeting", directed statewide, re: Energy policies and SB 349.
- **American Civil Liberties Union of KY (ACLU)** (\$31,818)-"Social media ads", "Billboards traditional & digital, mobile digital ads", and "Facebook ads against HB 5", directed statewide and to ACLU KY supporters, re: HB 5.

Gosses sentenced in bribery scheme that included former Arkansas lawmakers

ARKANSAS— *Arkansas Democrat Gazette*-by Ron Wood—April 29, 2024

A Missouri couple was sentenced to federal prison in a Medicaid fraud scheme that saw five former Arkansas lawmakers convicted on bribery-related charges, according to a news release from the U.S. Department of Justice.

Tommy Ray Goss of Springfield, former chief financial officer of Preferred Family Healthcare, was indicted March 29, 2020, on 24 counts including conspiracy, bribery, theft, honest services fraud and aiding and assisting the filing of a false tax return.

Bontiea Bernedette Goss, his wife and former chief operating officer of the same company, was indicted the same day on 22 related counts. Both lost their jobs with the company during the investigation before they were indicted.

Both pleaded guilty in a plea bargain with prosecutors in U.S. District Court in Springfield in September 2022.

Bontiea Goss, 65, was sentenced Monday to three years in prison, and Tommy Goss, 68, was sentenced Thursday to six years in prison. They were ordered to jointly pay \$4.35 million in forfeiture and/or restitution.

The plea agreement shows that Bontiea Goss pleaded guilty to one count of conspiracy, punishable by up to five years in federal prison. She and lobbyist Milton "Rusty" Cranford of Rogers conspired to hire then-state Sen. Jeremy Hutchinson as an attorney for the firm, according to the plea agreement.

In return, Hutchinson was to use his official position to benefit Preferred Family. The firm hired Hutchinson in 2013, before Hutchinson's uncle, Asa Hutchinson, was elected governor the following year.

Tommy Goss pleaded guilty to one count of conspiracy and another of assisting in the preparation of a false tax return, court documents show. Tommy He admitted to providing cash to then-Sen. Jon Woods of Springdale and to helping get a job for "a person close to Woods." Tommy Goss also admitted to giving \$30,000 to the church where then-Sen. Henry "Hank" Wilkins of

Pine Bluff was pastor. In return, Woods and Wilkins agreed to help steer state contracts and grants to Preferred Family.

Goss also admitted to under-reporting his income in 2014 on a federal tax return.

An estimated \$20 million went to kickbacks into the pockets of company executives and to bribes, according to court records. Preferred Family and its subsidiaries received \$245 million in Medicaid payments for mental health services in Arkansas for fiscal years 2011-18, one-third more than the second-ranking behavioral health care provider in that span, state records show. At its peak, Preferred Family collected \$43.9 million in 2016 from the state's Medicaid-funded mental health program -- one in every seven dollars the program spent that year.

According to court records, the Gosses used Preferred Family money to provide interest-free loans to their for-profit businesses and pay marked-up vehicle leasing fees to one of their companies. Over four years, the non-profit paid \$2 million to lease the vehicles from the Gosses' company, which had leased those vehicles from another company for \$1.1 million. Preferred Family, according to court records, also paid for charter flights from Springfield, Mo., to the Gosses' second home in Colorado.

Preferred Family contracts were canceled in 2018 by the state and the company, which has since merged with another health care provider. The company and its board cooperated fully in the federal investigation, Justice Department officials have said. The company later agreed to pay \$8 million in settlements with the state and federal governments.

Jeremy Hutchinson pleaded guilty June 25, 2019, and July 8, 2019, to one count each in three federal judicial districts -- Western and Eastern in Arkansas and Western Missouri -- on charges including accepting bribes

and tax fraud. Hutchinson was sentenced to eight years in prison.

Woods and then-Rep. Micah Neal, also from Springdale, were charged in connection with a \$400,000 state grant steered to Cranford and intended to benefit a business venture by Tommy Goss. Goss paid the state back after investigators began looking into the grant. Woods was convicted at trial on that and other charges stemming from other state grant kickbacks. Neal pleaded guilty and served one year of home detention. Woods is still serving an 18-year prison sentence. Cranford was sentenced in 2019 to seven years but was released as a nonviolent offender during the covid pandemic to serve the rest of his sentence at home.

Former Arkansas Rep. Eddie Wayne Cooper of Melbourne and Wilkins also pleaded guilty in the course of the investigation. Cooper is awaiting sentencing pending resolution of the Gosses' case. Wilkins was sentenced to one year and one day in prison. Both had agreed to testify in the Gosses' trial, according to court records.

As part of the long-running, multi-jurisdiction federal investigation, additional former executives from the charity pleaded guilty in federal court, including: Marilyn Luann Nolan of Springfield, former CEO; Robin Raveendran of Little Rock, former director of operations and executive vice president; Keith Fraser Noble of Rogersville, Mo., former executive and head of clinical operations; and Donald Andrew Jones, also known as D.A. Jones, of Willingboro, N.J., political consultant.

‘Mom’ legislators see their numbers, influence grow but barriers to elected office remain

STATES NEWSROOM— *Louisiana Illuminator* — May 12, 2024

For the second time while serving in the Nevada Legislature, Senate Majority Leader Nicole Cannizzaro gave birth last year. And again, she publicly pledged to continue full participation in her duties.

As the nation’s groundbreaker when it comes to working moms in a state capital, Nevada made history in 2019 as the only female-majority legislative body in the U.S. Still, legislators like Cannizzaro acknowledge uncertainty before deciding to grow their families while serving.

“What does that look like? What does it mean to be in this building and pregnant? What does it mean if I have a 1½-year-old and have to leave a meeting to pick him up at daycare? Does that make me less able to fulfill my duties? There were questions that I had as I announced my first and second pregnancy,” Cannizzaro told the *Current*.

The number of women serving in state legislatures has more than quintupled since 1971, according to the Center for American Women and Politics at Rutgers University (CAWP). Nearly 33% of the 7,386 state legislative seats are occupied by 2,432 women, the center reported. Vote Mama Foundation estimates 23% of lawmakers are moms.

“Things within the political ecosystem have changed to be more open to women,” said Kelly Dittmar, director of research at CAWP. “Having more women also begets more women.” There are visible signs of progress at statehouses across the country as the number of mom lawmakers grow. In Georgia, where women state representatives did not have a bathroom near the House chamber until the 1970s, there is now a lactation pod on the first floor of the Capitol. And a freshman Republican lawmaker has brought her baby to the floor daily, but more notably, the baby was given an official House name tag — labeling him the “baby of the House” — so he would have floor privileges. Just two decades ago, such a move was frowned on by House leadership.

Still, moms are struggling to get elected and remain in office. Beyond child care, there are myriad impediments. It takes money and an organized campaign infrastructure. As candidates, they are confronted with gender stereotypes that they often consider in executing their campaign strategy. And the time away from young children can be daunting.

Having run for office herself, Grechen Shirley

said she sees why moms, especially moms of small children, are often missing from elected office. She is the founder of Vote Mama, a political organization that seeks to increase the number of moms in office. She ran for Congress in 2018 in New York’s 2nd Congressional District while wrangling her 1- and 3-year-old children on the campaign trail.

When it comes to fundraising, men dominate. A 2021 OpenSecrets report found white men candidates led the money race, though white women candidates maintained a significant advantage over women of color, raising three times as much as Black women in open-seat primaries. Women donors give less money overall than men, comprising around one-third of money contributed to state general office and legislative races nationwide from 2019 to 2022, according to a 2023 report by CAWP. At the individual state level, financial support from women donors ranged from 14% of donations in Nebraska state races, to 46% of contributions in Colorado.

Data from Pew Research Center shows 85% of women will give birth and become mothers by the time they’re 45 years old. Vote Mama Foundation found that in 2022, 23% of state legislators were moms, and 5% had children under the age of 18, and on Capitol Hill, 37 of 541 lawmakers in 2022 were moms with children under 18, equal to 6.8% of the 118th Congress. Shirley pressed the Federal Election Commission to rule in her favor to allow use of campaign funds to cover the cost of her child care so she could run in 2018. And since then, at the federal level, parents started using funds similarly. Between 2018 and 2022, 68 federal candidates spent \$717,706 in campaign funds on child care. About half those funds were spent by women. Shirley says efforts to help moms run for office also help dads. “This is a complete game changer and it will help diversify both parties,” Shirley said.

At the state level, 70% of campaign funds spent on child care between 2018 and 2022 were spent by candidates of color. Thirty-one states authorize candidates to use campaign funds for child care, but in at least six of them, the option had never been touched.

A bipartisan pair of moms pushed for the change in Georgia. Georgia state Rep. Beth

Camp said it was odd that federal candidates could use campaign funds for child care expenses but state candidates could not. She hopes the change will encourage more parents with young children to run for office. “It is not a partisan issue. It is a nonpartisan issue because it impacts everyone,” said Camp, whose children are now adults. Camp said she was surprised when she heard negative feedback from some colleagues who questioned why the change was needed when candidates had not used campaign funds for child care in the past. “We probably would have had more parents — not going to say women or men but more parents — enter into elected office if they’d had the opportunity.”

Rhode Island passed a law in 2021 letting state and local candidates spend campaign funds on child care. It has yet to be used by any candidate with child care burdens, man or woman. Ohio has not authorized political candidates to use campaign funds for child care. And in Indiana, Ragen Hatcher, a representative from Gary, noted that childcare access and expenses continued to pose challenges even after she was elected.

From scheduling breast pumping, dropping kids off at school, securing child care and performing the full spectrum of duties expected of women as primary caretakers for their children, campaigning as a mom is a challenge and that’s before a person faces all the hurdles of serving in office as a mom, Shirley said. And no one questions why dads run for office because having kids is viewed as an asset for men in elections, and they’re good dads for taking a picture with their kids, she said.

Increased representation of moms in office doesn’t mean the behind-the-scenes burdens have lessened, said Jennifer Lawless, the Leone Reaves and George W. Spicer Professor of Politics at the University of Virginia and chair of its politics department. Some moms wait until their children are older or out of the house before running for office, but Dittmar said she thinks that’s changing.

It’s those life experiences that drive moms into running for office. Without people in positions of power who have experienced the challenges of raising children, things like child care aren’t prioritized issues, Shirley said.

Lawless didn’t think achieving parity between mothers in the population and in elected office was necessary, though. More important to Lawless was working toward equal representation of women in political office and campaigns, regardless of their family status.

“Right now if we continue at the rate we are currently electing women in Congress, it won’t be until 2108 that we reach parity for women,” she said.

MEMBERS OF THE
LEGISLATIVE ETHICS
COMMISSION

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Michael Shull, Vice Chair

Ernie Harris

Tanya Pullin

Marie Rader

Katherine Gail Russell

Sal Santoro

Arnold Simpson

NEXT MEETING OF THE
COMMISSION

The Kentucky Legislative Ethics Commission's next regular meeting is scheduled for Tuesday, July 9, 2024 at 10:00 a.m. Capitol Annex, Room 171 in Frankfort, Kentucky.

To watch the meeting online, click on:

[KY LRC Meetings - YouTube](#)

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ETHICS COMMISSION

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Training/Overview of the Code

Our lobbyist training video, with a Code overview & the registration and online filing process, is available on 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 and also on the LRC Capitol Connection page at <https://www.youtube.com/watch?v=I4FJvhrSoao>

Legislators' & Candidates' Financial Disclosures

Kentucky legislators' and legislative candidates' required financial disclosures are available on the KLEC website at <https://klec.ky.gov/Reports/Pages/Legislators-and-Candidates.aspx>

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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New and terminated employers

Two organizations recently registered as lobbying employers: **Kentuckians for Progress** and **KY Assn. of Community Rehabilitation Providers (KACRP)**.

Several organizations recently terminated lobbying: **American Council of Life Insurers; American Fuel & Petrochemical Manufacturers; Beechwood Board of Education; City of Covington, KY; City of Mayfield, KY; Cooper Surgical; Council of State Governments (CSG); Fayette Co. PVA; Flock Safety; GoodRx; Graves Co. Fiscal Court; KY Cares 2018; Kids Read Now, Inc.; Louisville Numismatic Exchange, Inc. (The); MasteryPrep; Mayfield Electric & Water Systems; Med-Lake Laboratory, LLC; National Shooting Sports Foundation, Inc.; Nola Education; Owl's Head Alloys, Inc.; Philanthropy Roundtable; Thomas D. Clark Foundation, Inc.; University of Pikeville; and U.S. Chamber of Commerce.**

Trivia Answer

The General Assembly passed a lobbying law in 1916 to require registration & expense reporting of paid lobbyists, prohibit contingent payment for lobbying, and forbid lobbyists from visiting either chamber's floor while the chamber was in session. Sources: KY

Historical Society; *Assoc. Industries of KY v.*

Comm., 912 S.W.2d 947 (1995).