

The Ethics Reporter

NOVEMBER
2023

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

Two-year *mandatory* re-registration for all lobbyists and employers opens December 1, 2023

Did you know?



The next filing date for employers' and legislative agents' spending disclosures is **Tuesday, January 16, 2024.**

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



Does the Commission publish an annual report?

Answer on page 4

All employers' and legislative agents' registrations with the Legislative Ethics Commission will *expire*, by operation of statute, on December 31, 2023. Employers and agents wishing to continue legislative lobbying in Kentucky **must** re-register.

Check the Commission's website <http://klec.ky.gov> for the Initial Registration Statement for the two-year period beginning January 1, 2024 and ending on December 31, 2025.

All currently registered employers and legislative agents were emailed instructions and forms regarding re-registration in mid-November. If you are an employer contact or legislative agent and did not receive it, please verify with us that we have your correct email!

Beginning December 1, 2023, the Commission will begin accepting completed registrations. These initial registration forms CANNOT be filed online. The Initial Registration Statement may be copied.

A registration fee of \$250 must be paid by the employer of one or more legislative agents. A registration form sent without the fee is not complete. ***Please note that the \$250 fee covers all legislative agents that the employer wishes to register.***

This fee may be paid via cash, check, Visa, MasterCard, American Express, or Discover. If the registration is mailed or hand delivered with a check, the check should be made payable to the **Kentucky State Treasurer.**

If paid by credit card, the registration may be hand delivered, faxed, or scanned and emailed, along with a completed credit card form which may be found on the Commission's website.

Please remember that the employer must sign a registration form for each legislative agent. If you need assistance, please contact us at (502) 573-2863, or email Donnita.Crittenden@lrc.ky.gov or Lori.Smither@lrc.ky.gov.

General Assembly Members' required training

The Commission will present Current Issues training on **Wednesday, January 3, 2024**, to all members of the General Assembly. The training will be held in Room 154 of the Capitol Annex, from 9 a.m. to 11 a.m. More information will be sent to General Assembly members next month. The Legislative Ethics Code requires all General Assembly members to attend this 2 hour ethics session.

We look forward to seeing all members at the training!

Op/Ed: Lawmakers, it's time to eat less steak with lobbyists and listen more to Hoosiers

INDIANA—*Indianapolis Star*—by Tilly Robinson, Common Cause Indiana— September 26, 2023

Indiana lawmakers should be listening to their constituents. But with Indiana's lax lobbying laws, they're often listening to special interests instead. A June article from *State Affairs* found that during the most recent legislative session, lobbyists spent over \$1 million on gifts and entertainment for legislators, staff and their close relatives. Out of the spending that could be traced to individual lawmakers, Democratic legislators received an average of \$908 from lobbyists, and Republicans received an average of \$1,724.

There's nothing inherently wrong with lobbying. There are cases where it's important for lawmakers to hear from interest and industry groups, whose representatives can supply expertise on complicated issues. However, the more lawmakers rely on lobbyists, the harder it becomes for everyday people to make themselves heard.

Every time a lobbyist treats a legislator to dinner, a cruise or a Colts game, they get a chance to build a personal relationship — which makes a stark difference, as legislators naturally respond more favorably to people they've gotten to know over drinks or at the golf course. Later, this influence manifests in the legislative process. A 2021 study used data from Colorado, Nebraska and Wisconsin to show that lobbying often works by securing agenda control: determining which legislation makes it out of committee, reaches the floor and passes the chamber.

While 40 states restrict the values of gifts politicians can accept from lobbyists, Indiana has no such limits written into state code. And while

Indiana lobbyists can't pay for out-of-state travel for legislators, they can pay for meals and entertainment — like the dinner cruise some lawmakers accepted from a powerful lobbying group at a legislative conference in Hawaii.

But the problem isn't just the lack of limits on gifts, it's also the lack of transparency around lobbying.

Lobbyists are required by law to report their expenditures to the Indiana Lobby Registration Commission. If expenditures on a particular lawmaker, legislative employee or family member exceed \$50 in one day, or \$250 over the course of a year, those costs must be ascribed to that individual. However, those low standards allow a plethora of spending to remain unattributed, leaving Hoosiers in the dark as to exactly how much money their representatives are accepting — and from whom.

Indiana requires lobbyists to file activity reports only twice a year, setting us well behind the national standard. In comparison, at least 22 states require lobbyists to file activity reports quarterly, and at least 13 states require monthly or semimonthly reports while their legislatures are in session.

These more frequent reports allow the public to track lobbyist spending as it happens. However, under current Indiana requirements, Hoosiers don't know which interest groups spent money to support or oppose

legislation until long after the session has ended. It's also not possible to effectively download data from the ILRC website; instead, curious citizens must comb through each individual report. This inaccessible process makes it hard to get a systematic picture of how money flows through the lobbying ecosystem.

Additionally, there's little accountability for groups that aren't registered as lobbyists. In May, Fostech, a Seymour-based gun manufacturer, offered Republican legislators a discount on personalized AR-15-style rifles during the General Assembly's session. During the same session, Fostech representatives testified against a bill that expanded Indiana's definition of a "machine gun." Because lawmakers are not required to report gifts they receive — from lobbyists or anyone else — Fostech's backdoor offer could easily have escaped public scrutiny.

From shameful loopholes to murky transparency, Indiana lags on lobbying ethics. It's time for the Statehouse to make sure legislators spend less time enjoying steakhouse dinners from the moneyed interests who pay for them — and more time listening to their constituents.

New and terminated lobbying employers

Several organizations recently registered to lobby legislators in Kentucky: **American Rental Assn.; Beechwood Board of Education; Code for America Labs, Inc.; FC Cincinnati; ReUp Education; Tri-Arrows Aluminum, Inc.; Waterford.org; and Yes, Every Kid, Inc.**

No organizations terminated lobbying in Kentucky in the past month.

Anaheim officials to publicly post online who they meet with

CALIFORNIA—Voice of OC-by Hozam Elattar— November 14, 2023

Anaheim City Council members and City Manager Jim Vanderpool will have to publicly post online who they're meeting with next year as part of new policy in the wake of one of the largest corruption scandals in Orange County history.

Last Tuesday, city council members voted unanimously to implement a policy that will require them to proactively post their calendar online listing meetings with lobbyists, developers, union representatives as well as residents starting in January 2024.

During the Nov. 7 meeting, Mayor Ashleigh Aitken said the policy will be a helpful tool to create transparency and accountability.

"This isn't meant to be a gotcha circumstance for the city manager's office or council colleagues," she said. "Developing a formal and automated system where we're all reporting in the same way and fashion just removes any type of accusations of malfeasance."

Disclosure exceptions will be made for internal staff meetings including with retained consultants and vendors, meetings on personnel issues as well as with residents who fear retaliation if their meeting goes public. The policy comes after FBI agents in sworn affidavits last year and independent investigators, with decades of law enforcement experience,

in a 353-page report concluded the same thing: Anaheim City Hall is essentially controlled by Disneyland resort interests and lobbyists.

Federal agents also say pay-to-play politics were involved in the now canned Angel Stadium land alleging former Mayor Harry Sidhu tried to get a \$1 million in campaign support from the ball club to ram the deal through.

Sidhu pleaded guilty to public corruption charges in September.

The Fall of Reform

The new calendar policy is among a host of reform proposals Anaheim City Council members are expected to tackle this fall in the wake of corruption.

For Disneyland resort-backed City Council members like Natalie Meeks and Jose Diaz, the calendar policy was one of the best reforms they could enact as opposed to other reform policies like a tighter lobbyist registration policy.

"This is transparency," Diaz said during the Nov. 7 meeting. "Other stuff out there that is so complicated that you need an army of lawyers to interpret what it says that's not transparency."

Meeks said the calendar policy makes lobbyist disclosures redundant.

"I want to do the calendar, and make it simple and make it clear and make it com-

prehensive. And all the other complex stuff, I think, is redundant and potentially conflicting," she said. Other cities in Orange County like Irvine and Orange are looking at tightening lobbyist regulations and providing great transparency on who influences city hall after independent investigators released a 353-page corruption report at the end of July.

The report paints a picture of loose oversight on lobbyists, developer favoritism, influence peddling by Disneyland Resort interests through the Anaheim Chamber of Commerce and a disregard for California's open meeting and public record laws.

Will The Calendars Work?

One city official has already been posting their calendar online: Mayor Aitken.

It's something she highlighted in State of the City in May – about a year since the FBI affidavits surfaced.

However, the mayor's calendar didn't list any meetings with Angel President John Carpino despite public record requests by the Voice of OC and the Anaheim Investigator blog that show text messages between the two planning meetings this year.

When asked earlier this year if she reported a planned meeting with Carpino on her public calendar, Aitken said the meeting was disclosed in a public records request.

"My experience in the executive, legislative, and judicial branches of government and my position on the Supreme Court all point to this conclusion: an informed, reasoned effort by one citizen can have dramatic impact on how someone, like a legislator, will vote and act. When I was in the legislature, one person, sometimes with a direct interest in the matter, sometimes without one, would on occasion persuade me by the facts, by the clarity of the explanation and by the reasoning, to do something which I never would otherwise have done. I have been at caucuses when a group of legislators was trying to decide what to do, and, time and time again, my fellow legislators would refer to the logic or fairness of what some plain, unknown citizen has said."

-U.S. Supreme Court Justice Sandra Day O'Connor

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NEXT MEETING OF THE
COMMISSION

The Kentucky Legislative Ethics Commission's next regular meeting is scheduled for Wednesday, January 3, 2024 at 11:30 a.m. Capitol Annex Room 154, 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, 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>

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 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

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!

Laura Hendrix
Executive Director
Laura.Hendrix@lrc.ky.gov
(502) 573-2910

Donnita Crittenden
Executive Assistant
Donnita.Crittenden@lrc.ky.gov
(502) 573-2863

Emily Dennis
Counsel
Emily.Dennis@lrc.ky.gov
(502) 573-2911

Lori Smither
Staff Assistant
Lori.Smither@lrc.ky.gov
(502) 564-9076

KENTUCKY LEGISLATIVE ETHICS COMMISSION

22 Mill Creek Park
Frankfort, Kentucky 40601

Phone: 502-573-2863

Fax: 502-573-2929

Website: klec.ky.gov

Trivia Answer

Yes, KLEC publishes an annual report by December 1 of each year. It is sent to the Legislative Research Commission and published online. The 2022-23 report is now available at <https://klec.ky.gov/Reports/Annual%20Reports/AnnualReport20222023.pdf>