

# The Ethics Reporter

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KENTUCKY LEGISLATIVE ETHICS COMMISSION  
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KLEC.KY.GOV

## Kentucky lobbying spending breaks records

### Did you know?



If legislators wish to have expenses paid or reimbursed for out-of-state travel, they must get prior approval of their presiding officer.

Lobbyists and employers cannot furnish or pay for out-of-state travel expenses for legislators.



*Can the public see which bills or issues are being lobbied by employers and lobbyists?*

*Answer on page 4*

Continuing a trend, lobbying spending in Kentucky hit a record **\$17,867,342** for the first eight months of 2022. The previous record for the same time period was set in September 2018, at \$16.7 million.

If that \$17.9 million was divvied up among the 138 Kentucky legislators, it would average \$129,473 spent to lobby each legislator. 821 employers and 652 legislative agents are currently registered to lobby the General Assembly.

**The Kentucky Chamber of Commerce** spent the most on lobbying during this period, at \$287,234. The rest of the top 10 were: **KY Hospital Association** (\$226,029); **Altria Client Services LLC** (\$198,685); **American Civil Liberties Union of KY** (\$156,662); **KY League of Cities, Inc.** (\$130,818); **Pharmaceutical Care Management Assn.** (\$118,257); **Pace-o-matic of KY** (\$111,416); **KY Retail Federation, Inc.** (\$107,604); **Greater Louisville, Inc.** (\$105,998); and **HCA Healthcare, Inc.** (\$97,665).

Rounding out the top 25 spenders were: **Elevance Health and Affiliates DBA Anthem, Inc.** (\$96,097); **KY Distillers' Assn.** (\$93,625); **KY Medical Association** (\$88,830); **Academic Partnerships, LLC** (\$87,500); **LG&E and KU Energy LLC** (\$82,439); **KY Petroleum Marketers Association** (\$82,162); **KY Farm Bureau Federation** (\$76,543); **AT&T** (\$75,994); **KY Equine Education Alliance** (\$75,966); **East KY Power Cooperative Inc.** (\$73,832); **LifePoint Health** (\$73,335); **Churchill Downs** (\$72,245); **Houchens Industries** (\$72,170); **Wine & Spirits Wholesalers of KY, Inc.** (\$70,576); and **KY Assn. of Electric Cooperatives, Inc.** (\$69,017).

Additionally, the amount spent on receptions, meals and events by lobbying entities set a record for the first eight months of a year. Employers

spent \$250,062 on events to which legislators and legislative staff may be invited. This is \$1,000 less than the all-time high for an entire year's employer event spending, which was set in 2018. The **Northern KY Chamber of Commerce** spent the most over the past 8 months on these events, at \$15,691. Lobbyists spent \$21,347 out of their own pockets on events as well.

Some of the notable receptions and events held by lobbying groups included those in conjunction with out-of-state conferences of national organizations of legislators/legislatures or governmental organizations. For example, at the National Conference of State Legislatures' Annual Meeting in Denver, Colorado in August, 86 employers and 34 lobbyists chipped in \$16,677 to fund a "Kentucky Night" event at Coors Field to which legislators and legislative staff were invited. Also at NCSL, 19 employers held a reception for House members, costing \$3,602, and 18 employers held a dinner for Senate members, spending \$6,282.

At the Southern Legislative Conference's July Annual Meeting, held in Oklahoma City, Oklahoma, 85 employers and 24 lobbyists spent \$7,652 on a "Kentucky Night" event. Seventeen employers held a reception for House members, costing \$1,153, and 18 employers held a dinner for Senate members, for \$1,855.

Other out-of-state events sponsored by lobbying groups were associated with summer meetings of the American Legislative Exchange Council and National Council of Insurance Legislators.



*"We must eliminate the gulf of mistrust and ignorance that keeps us from learning from each other."--Coretta Scott King*

## Gov. Gavin Newsom signs law inspired by \$2 million bounty to influence insurance commissioner

**CALIFORNIA**-*San Francisco Chronicle*-By Sophia Bollag-Sept. 22, 2022

Consultants face new restrictions on charging bounties for influencing some decisions by state officials under a bill Gov. Gavin Newsom signed Thursday that expands California's lobbying laws.

Companies and interest groups spend hundreds of millions of dollars each year to lobby lawmakers and the governor on issues related to proposed laws and regulations. Most of the money is subject to strict lobbying disclosure rules, including that the people paid to lobby register with the state and that the companies that pay them file regular public disclosures.

An investigation by the Sacramento Bee, however, revealed earlier this year that loopholes allowed some companies to pay bounties called "success fees" to influence some decisions by state officials without having to report them.

A lawsuit by former California

lawmakers Fabian Núñez and Rusty Areias revealed one such payment. They sued a workers' compensation company, arguing it had agreed to pay them \$2 million if they persuaded Insurance Commissioner Ricardo Lara's department to allow an acquisition deal to proceed.

Their lawsuit is still pending. The workers' compensation company, Applied Underwriters, has argued in court filings it does not owe Núñez and Areias money because they did not meet the terms in their contract. Lobbyists are prohibited from charging success fees for achieving a desired outcome for their clients. But because Núñez and Areias' work wasn't technically lobbying, they were able to negotiate a bounty fee and wouldn't have to disclose it to the public.

The law Newsom signed changes that. Under the new law, paid efforts to influence decisions or approvals by the insurance commissioner and the director of the

Department of Managed Health Care are considered lobbying. Lobbyists engaging in this type of influence work would not be allowed to charge success fees and would need to file lobbying disclosures with the state.

Assemblyman Marc Levine introduced the legislation after the Sacramento Bee reported on the practice. Levine was running for insurance commissioner against Lara when he introduced the measure, but did not advance to the general election.

The new law doesn't ban all success fees, just those to influence decisions by the insurance commissioner and director of the Department of Managed Health Care. An expert on lobbying law told the Bee that most success fees are for helping clients win contracts, which the new law won't affect.

## New and terminated lobbying employers for September

Several newly registered lobbying employers are: **American Kidney Fund, Inc.; Autonomous Vehicle Industry Assn.; Aware Recovery Care; Community Assn. Institute; Heritage Action for America; Messer Construction; Nantero; Publix; Rajant Corp. and Rajant Health Inc.; Self Storage Assn.; and StriveTogether, Inc.**

Several employers have recently terminated their lobbying activity in Kentucky: **1800 Contacts; American Council of Life Insurers; Anchorage Middletown Fire & EMS; BusPatrol; Butler Foundation; Cisco Systems, Inc.; City of Frankfort, KY; Clearview AL; Commonwealth Credit Union; Community Ventures Corporation; DJGN Lexington LLC dba Tony's Steaks & Seafood; ES Barr & Co.; Exxon Mobil Corp.; Federal Home Loan Bank of Cincinnati; Financial Industry Regulatory Authority; Fund for the Arts; Greyhound; Life Sciences Lab Coalition; Lyft, Inc.; Madeira, Dr. Jody Lynee; Mid-American Rare Coin Galleries, Inc.; Mid-South Capital Partners, LP; Open Road Foundation; Paristown Preservation Trust, LLC; Port of Louisville; RSC Insurance Brokerage, Inc.; TCB of KY, LLC and W.L. Gore & Associates.**

**What makes state legislatures uniquely prone to alleged sexual harassment**

*The 19th*-By Jennifer Gerson-September 6, 2022. This story was originally published by 19thnews.org (edited for length)

Miranda Viscoli was used to seeing legislation change at the midnight hour. That's what happened one Friday in 2017 when Viscoli, the co-president of New Mexicans for the Prevention of Gun Violence, was at the New Mexico capitol advocating for a bill that would "get guns out of the hands of domestic violence offenders" by requiring those involved in domestic violence situations to surrender their guns and be blocked from purchasing new ones while a protective order is in effect.

Minutes before Viscoli was set to testify on the floor of the state legislature, she said, state Sen. Daniel Ivey-Soto, who had just added language to the bill that ran counter to Viscoli's goal, approached her. He pulled her into an area off the main floor situated between two glass doors, where no security cameras were present, and berated her.

"He got into my face — stuck his finger right in my face — and said, 'Get your f\*\*\*\*ng s\*\*\*\* together, Miranda,'" Viscoli remembers. She was so visibly shaken after the encounter that lawmakers canceled her testimony — and the vote.

"I was emotionally affected. You have to be tough to be doing gun violence prevention work — I call the FBI about threats all the time — but I was biting my tongue to not break down in tears," Viscoli said. "I had to be an expert witness in two minutes, and then there was Ivey-Soto, walking back into the chamber, winking at the lobbyist from the NRA and smiling." Ivey-Soto, whose district is home to two NRA board members, did not respond to a request for comment.

The next week, still shaken, she went to some legislators in the statehouse she trusted and told them her story. The people she told were "horrified" — and also recommended she make sure that she was never in a room alone with Ivey-Soto in the future. They told her that if she spoke out against him, she might put the bill she was working to pass at risk.

"I thought, 'Wow. This must be more than just me,'" Viscoli said.

Experiences like Viscoli's aren't rare. Statehouses — a place where the powerful and the less empowered rub shoulders as part of the policy-making process — are a place where abuse and harassment can flourish in the shadows, and consequences are slow to come if they come at all.

In New Mexico, the state legislature began an investigation into Ivey-Soto in March after a lobbyist, Marianna Anaya, filed a complaint against him, saying he had groped her, screamed at her, and then retaliated against her by tying up legislation she was working on when she rejected his advances. After Anaya filed her complaint, Viscoli published an op-ed in March describing her own alleged experiences with Ivey-Soto and asking that he be subjected to a full investigation.

Since Anaya's complaint was filed, a growing number of women lobbyists and advocates — nine and counting — have come forward with allegations of sexual harassment and verbal abuse, and a coalition of 30 organizations in the state have asked for Ivey-Soto to have his interim committee assignments suspended until full resolution of the investigation is reached. The investigation was conducted by outside counsel who turned over findings to a legislative subcommittee, which will now decide whether there is adequate evidence to enforce disciplinary action. No timeline has been given for when this subcommittee will issue their decision. Ivey-Soto has denied all of Anaya's and Viscoli's allegations.

Dealing with alleged harassment in statehouses remains a maze of

bureaucratic red tape that, despite efforts to improve processes, has left people in uncomfortable power dynamics or complete inaction after alleged sexual harassment or bullying.

In 2018, in the wake of the growing awareness for the #MeToo movement, 32 states introduced over 125 pieces of legislation to address sexual harassment in state legislatures, 37 of which were ultimately enacted or adopted. Twenty-nine states introduced an additional 100 pieces of legislation in 2018; of these, 29 have been adopted or enacted. And yet, state legislatures remain a place where harassment runs rampant.

The Associated Press kept track of all filings of complaints of harassment in state legislatures for one year, counting 76 reports made nationwide between 2017 and; that tally had grown to 90 by 2019. A 2019 study published by a professor at Georgetown University's Law Center found that the vast majority of government officials accused of sexual harassment and sexual violence are state senators and state representatives, with allegations more or less equally made against Republican and Democratic lawmakers. The overwhelming majority of these reports were women coming forward against men.

Andrea Johnson is the director of state policy, workplace justice and cross-cutting initiatives at the National Women's Law Center, where she has worked on the issue of reform for harassment reporting and accountability procedures in state legislatures. The inherent power differentials that exist in state legislatures between staffers and lawmakers — and lobbyists and lawmakers — can make these environments especially risky. Johnson said a major issue that routinely comes up is legislative staff and lobbyists not knowing where to report if they experience harassment, especially when it is at the hands of state legislators.

Because state legislatures are accountable to voters, lawmakers don't always have the same employment relationships with those who report to them as exist in most work environments. Making the dynamic even more complex is the fact that most legislatures do not have a trusted, neutral body that exists to receive any complaints against them. A committee of state legislators beholden to their colleagues are often left to evaluate allegations, a situation compounded by the historical make-up of these chambers, Johnson said, which is predominantly White men. It is these state-level lawmakers who are most commonly the perpetrators of this kind of harassment because of the "deep culture of sexism and racism" that exists in many state legislatures "where harassment has been common and honestly expected in the culture."

Knowing a third-party system is in place to receive and investigate complaints can have a huge effect on larger cultural change in legislative bodies, said Kelly Dittmar, the director of research at Rutgers University's Center for American Women and Politics. Dittmar is currently conducting research on what factors shape the recruitment, success, and retention of women in elected positions in state governments and has heard from those she has interviewed how much concerns about toxic workplace culture are driving the decisions of women wanting to work as staff in state legislatures. A large contributing factor to this situation is a lack of access to quantitative data on how harassment is handled.

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## 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=ojKIWUNV8po&feature=youtu.be>

We also are happy to set up a training on request! Just contact us.

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>. Feel free to watch!

To register as a lobbyist or employer, please email the required 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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#### Trivia Answer

**Yes. Employers and lobbyists must specify which bills or issues they are lobbying on, and a list is available on the KLEC website at [klec.ky.gov/Reports/Reports/lecbills2022.pdf](http://klec.ky.gov/Reports/Reports/lecbills2022.pdf)**