

The Ethics Reporter

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KENTUCKY LEGISLATIVE ETHICS COMMISSION
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KLEC.KY.GOV

Marking 30 years of Legislative Ethics reform

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."



How long did the federal BOP-TROT investigation last?

Answer on page 4

The Kentucky Legislative Ethics Commission (KLEC) was created by the Kentucky General Assembly as part of a sweeping ethics reform package in 1993. Following a devastating federal investigation involving legislators and lobbyists, BOP-TROT, and the conviction of 21 persons including 15 legislators for such crimes as extortion, bribery, profiteering, racketeering, and lying to the FBI, the legislature created a Task Force charged with drafting a new Code of Ethics for the legislative and executive branches, as well as campaign finance and contracting laws. Late Governor Brereton Jones called a special session and the General Assembly passed the Legislative Ethics Code, as well as the Executive Ethics Code, ushering in a new era for ethics in Kentucky.

With the passage of the law 30 years ago, KLEC was established as the only ethics board for a state legislature comprised of no sitting legislators, ensuring independent and nonpartisan administration of the Code. Tasked with the Code's enforcement, registration, reporting, education and advisory functions, KLEC has helped to change the culture which led to BOP-TROT by giving timely, confidential, and practical advice, setting clear standards, and working diligently to ensure the legislative and lobbying community's knowledge and adherence to high standards of conduct, and the public's knowledge of lobbying activity.

To promote public confidence in the legislative process, provisions of the Code prohibit lobbyists from making political contributions to legislators, require 6 yearly detailed public reports of employers' and lobbyists' spending, which are readily available via KLEC's online searchable register, set out clear standards for conflict of interest and legislative conduct, require yearly ethics training for legislators, restrict individual legislators' influence over executive branch decision-making, prohibit a legislator from becoming a lobbyist for 2 years after leaving office, and require detailed financial disclosures from legislators and major management staff of the legislature. KLEC adjudicates sworn complaints, which may be filed by anyone, has subpoena power, and may impose penalties, including revocation of lobbying for up to 5 years.

The General Assembly passed strong 2014 revisions to the Code which created a "no cup of coffee" rule for the legislature, required advertising by lobbying groups to be reported



to ensure transparency about spending during legislative sessions, and completely banned out of state trips for legislators paid for by lobbying entities.

Since KLEC's inception 30 years ago, and the passage of the Code, no sitting Kentucky legislator has been convicted of a felony arising from the use of his or her office. Fundamentally and most importantly, the culture in the Capitol has changed, due in large part to the diligent education and advisory efforts of the Commission members and staff, the continued strong support of Kentucky's legislators and lobbying entities, and public expectation that the core principles of the Code are maintained.

The Commission is proud to celebrate 30 years of the Ethics Code and renews its continued commitment to ensuring that public confidence in the integrity of its government and public officials is maintained.

To mark this milestone, KLEC is hosting a public reception on October 10, 2023, starting at noon, in Room 154 of the Capitol Annex. Please join us!

Laura Hendrix
Executive Director

Record lobbying spending in Kentucky for the first 8 months of 2023

Following the trend of recent years, lobbying spending, as reflected in the reports filed by lobbying employers and legislative agents, hit an all-time high for the first 8 months of a year. **\$18,188,875** was spent on lobbying the Kentucky General Assembly from January to August, 2023. The previous record for the same time span was reached last year, at \$17.8 million.

Currently, 848 businesses and organizations are registered to lobby, spending \$17.74 million on that effort, while 678 legislative lobbyists were paid \$15.8 million in compensation, and reported \$446,540 in expenses.

The top two overall lobbying spenders maintained their previous standings from May, and reported no additional spending in the ensuing months. **KY Merchants and Amusement Coalition, Inc.** (KMAC) spent \$483,324. The second highest spender, at \$348,763, was **Kentuckians Against Illegal Gambling, Inc.**

The third highest spender is **KY Chamber of Commerce** (\$313,750). Next is the **KY Hospital Association** (\$177,637), followed by the **American**

Civil Liberties Union of KY (ACLU) (\$167,770), followed by **Pace-O-Matic of KY** (\$110,150).

The rest of the top 10 are: **Altria Client Services LLC** (\$146,838); **KY Medical Association** (\$134,090); **LG&E and KU Energy LLC** (\$115,880); **Paceomatic of Kentucky** (\$110,150); and **KY League of Cities** (\$110,143).

Rounding out the top 20 are: **KY Retail Federation, Inc.** (\$108,752); **KY Distillers' Assn.** (\$107,024); **HCA Healthcare, Inc.** (\$97,600); **Duke Energy** (\$97,466); **Greater Louisville, Inc.** (\$94,642); **Keeneland Association, Inc.** (\$92,139); **East KY Power Cooperative** (\$88,475); **KY Association of Counties** (\$85,217); **Humana Inc.** (\$85,217); and **Churchill Downs Inc.** (\$84,788).

Lobbying interests spent a record \$353,197 on receptions, meals, and events for the first 8 months of the year. Employers spent the bulk of this amount, \$313,688, while lobbyists spent \$39,509.

Some notable receptions and events held by lobbying groups included those in conjunction with out-of-state conferences of state

legislators, state legislatures, and governmental organizations.

At the Southern Legislative Conference's July Annual Meeting in Charleston, South Carolina, 28 lobbyists and 99 employers spent just over \$31,000 on a "Kentucky Night" event. At the same meeting, \$11,207 was spent on a House reception, and \$8,056 on a Senate dinner.

At the National Conference of State Legislatures' Annual Meeting in Indianapolis, Indiana in August, 21 lobbyists and 83 employers spent \$12,612 to host a "Kentucky Night" event. Similar to the SLC event, lobbying interests spent \$3,463 on a House reception and \$7,630 on a Senate dinner.

In conjunction with the American Legislative Exchange Council's July Annual Meeting, 28 employers and 9 legislative agents invited legislators to a "Kentucky Night Event" held at the Capen House, in Winter Park, Florida, spending \$9,134.

New and terminated lobbying employers

Several organizations recently registered to lobby legislators in Kentucky: **Aviation Museum of Kentucky, Inc.**; **Blue Line Solutions**; **FFF Enterprises, Inc.**; **Gordian Group (The)**; **KY Board of Podiatry**; **Lewis Ridge Pumped Storage, LLC**; **Med-Lake Laboratory, LLC**; **Phoenix (The)**; and **Scholastic, Inc.**

Blue Line Solutions is a Chattanooga, TN based company which sells automated license plate recognition and speed enforcement systems. **FFF Enterprises, Inc.** is a Temecula, CA pharmaceutical company which develops and markets flu and COVID vaccines, among other pharmaceutical products. **The Gordian Group** is a South Carolina company focused on procurement and capital planning software and solutions. **Lewis Ridge Pumped Storage, LLC**, is a project of Rye Development, located in West Palm Beach, FL, which is developing pumped hydropower storage to provide energy to Southeastern Kentucky.

Organizations terminating lobbying in Kentucky were: **Alkhermes, Inc.**; **Allstate Insurance Company**; **American Assn. of International Healthcare Recruitment**; **Benchmark Family Services, Inc.**; **BetMGM, LLC**; **Biogen**; **Cedar Lake**; **ChargePoint**; **Club for Growth**; **Commonwealth Chiropractic Alliance**; **Community Wellness**; **Diligent Ventures LLC**; **DraftKings, Inc.**; **Financial Planning Association**; **Hart Co. Chamber of Commerce**; **Human Rights Campaign**; **Kentuckians for Freedom, LLC**; **Messer Construction**; **National Alliance on Mental Illness, KY**; **ProtectED**; **Teladoc Health, Inc.**; **Textile Rental Services Assn. (TRSA)**; and **Wendell Foster**.

Missouri lawmaker accused of 'unlawful' conduct in push for contract, drawing FBI scrutiny

MISSOURI— Missouri Independent—by Jason Hancock— September 22, 2023

The Missouri House Speaker is facing allegations he threatened to terminate the employment of a nonpartisan legislative staffer who resisted his months-long push to hire a private company to manage constituent information.

House Speaker Dean Plocher vehemently denies the accusations, which were uncovered through public records obtained by The Independent under Missouri's Sunshine Law.

But Dana Miller, chief clerk of the House since 2018 and a chamber staff member since 2001, wrote in an email to a lawmaker last week about "threats made by Speaker Plocher concerning my future employment."

She wrote that Plocher made statements to her "connecting this contract with campaign activity" — suggesting the speaker's motivation was his 2024 campaign for lieutenant governor — and expressed that she had "growing concerns of unethical and perhaps unlawful conduct."

Miller wasn't the only legislative staffer expressing concerns. In another message obtained through the Sunshine Law, a House employee complained that the pressure for the contract was "insanely inappropriate" and would lead to more bad behavior if Plocher got his way.

Plocher insists that every action he took while pushing for the House to consider contracting with a private company was "open and transparent in the interest of good government and delivering efficient

services to Missourians."

He added: "No one has asked, received, nor will receive, any special treatment in regard to software contracts or any contracts while I am speaker."

In the short term, the issue is dead, as a legislative committee voted last week to stick with the free, in-house constituent management program already in use.

But the saga's fallout is far from over, and has drawn attention from federal law enforcement, with an FBI agent attending the legislative hearing last week where the idea was discussed. The FBI investigates public corruption, surveilling federal, state and local governments.

Nine months ago, the House revamped the software legislative offices can use to contact constituents and assist them when they reach out to their representatives. The redesign came after a working group of legislative staff spent months developing new features in an effort to make it more user friendly. A Washington, D.C., -based company called Fireside promised to provide a web-based program to replace the system at a cost of nearly \$400,000 a year.

Plocher began advocating for making the change in May, soon after the legislative session adjourned for the year. Also working on Fireside's behalf was Bardgett and Associates, an influential Jefferson City lobbying firm.

The Fireside program could lead to lawmakers exporting data to use for cam-

paign activity, Miller wrote in her memo, and switching from the current program housed on an internal server to a web-based program could leave constituent information vulnerable to hacking. But among her biggest concerns at the time was the cost for something the House was already providing for free.

Over the course of the summer, records show staff were increasingly expressing concern about what was happening behind the scenes. In early July, a handful of lawmakers began submitting nearly identical letters to Wright's office advocating for the Fireside contract. A draft of the letter, shows it was originally sent to the lawmakers by an employee of Bardgett and Associates.

Despite the pushback from legislative staff, Plocher pressed ahead, presenting the idea to his colleagues at the party's annual summer caucus in August and asking Wright to hold a public hearing to consider switching to Fireside when lawmakers convened for a veto session in September.

On a voice vote, a legislative committee unanimously decided to stick with the in-house system for at least the next two years. Miller stood by her actions in opposing the contract and voicing concerns about the lobbying effort.

"As an officer of the House of Representatives," she said, "I take an oath to uphold the constitution, and this includes protecting the House as an institution. I take those responsibilities seriously."

SEC files fraud charges against 'ComEd' and CEO found guilty in bribery case surrounding ex Illinois House Speaker Mike Madigan

ILLINOIS— ABC7—by ABC7 Chicago Digital Team—September 28, 2023

The Securities and Exchange Commission charged ComEd and its former CEO Anne Pramaggiore Thursday with fraud in connection to the alleged corruption scheme involving former house speaker Mike Madigan. Commonwealth Edison and its parent company Exelon agreed to settle, paying a penalty of more than \$46 million. However, charges against Pramaggiore will move forward.

The complaint filed by the SEC accuses Pramaggiore of participating in, and at some points, directing a bribery scheme, which involved bribing Madigan to pass legislation favorable to ComEd. Earlier this year, Pramaggiore and the rest of the so-called "ComEd Four," were all found guilty of federal charges, including conspiracy and bribery.

Madigan, who's charged in a separate federal racketeering indictment, will go to trial in April.

**MEMBERS OF THE
LEGISLATIVE ETHICS
COMMISSION**

David Nicholas, Chair

Tanya Pullin, Vice Chair

Ernie Harris

Marie Rader

Katherine Gail Russell

Sal Santoro

Mike Shull

Arnold Simpson

Anthony M. Wilhoit

**NEXT MEETING OF THE
COMMISSION**

The Kentucky Legislative Ethics Commission's next regular meeting is scheduled for Tuesday, October 10, 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, 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!

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Trivia Answer

**Nearly 5 years, from September 1990 to
July 1995**