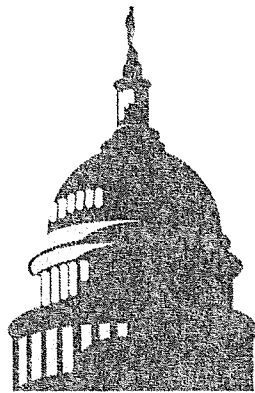
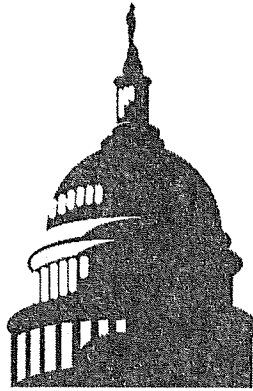


Kentucky Legislative Ethics Commission

ANNUAL REPORT



Fiscal Year
July 1, 2022 - June 30, 2023



Kentucky Legislative Ethics
Commission Members in FY 2022-2023

David L. Nicholas, Chair
Tanya Pullin, Vice-Chair

Anthony Wilhoit

Arnold Simpson

Katherine Gail Russell

Marie Rader

Sheldon Baugh (resigned 12/2022)

Sal Santoro

Ernie Harris

Commission Staff

Laura Hendrix, Executive Director

Emily Dennis, Counsel

Donnita Crittenden, Executive Assistant

Lori Smither, Staff Assistant

Mark Brengelman, Enforcement Counsel

Robert Jenkins, Investigative Counsel

22 Mill Creek Park

Frankfort, Kentucky 40601-9230

Telephone: (502) 573-2863

Fax: (502) 573-2929

Web Address: <https://klec.ky.gov>

FOREWORD

I am pleased to submit the 30th Annual Report of the Kentucky Legislative Ethics Commission to the members of the Legislative Research Commission.

The past year has been a busy one for the Commission and its staff. As evidenced by the large number of requests for informal opinions from individuals, businesses, and organizations covered by the Legislative Ethics Code, there is widespread interest in complying with it.

The continued support the Commission has received from the members of the General Assembly and its leadership has been gratifying.

We respectfully submit this report of activities of the Legislative Ethics Commission as required by KRS 6.666(16).

David L. Nicholas

David L. Nicholas, Chairman

Legislative Ethics Commission Member Profiles

Anthony Wilhoit – Judge Wilhoit was appointed to the Commission by the Speaker of the House in 2016. He was Executive Director of the Legislative Ethics Commission from 1997 until he retired in 2015. In 1976, he joined the Kentucky Court of Appeals, and retired as Chief Judge in 1997. Judge Wilhoit also served as a police judge, Versailles City Attorney, Woodford County Attorney, state public defender, and deputy secretary of the Justice Cabinet. He earned an A.B. from Thomas More College, a J.D. from the University of Kentucky, and an L.L.M. from the University of Virginia. In 2012, Judge Wilhoit received the COGEL Award, the highest international award given to a person working in the fields of ethics, campaign finance, and election law. He lives in Versailles.

Sheldon Baugh (*resigned 12/2022*) – Mr. Baugh was appointed to the Commission in 2017 by the President of the Senate. Mr. Baugh has an insurance agency in Russellville, and he served in the House of Representatives from 1995 to 2008. He attended Western Kentucky University, and served in the U.S. Air Force from 1962 to 1966. Mr. Baugh was a Magistrate on the Logan County Fiscal Court from 1977 to 1981, and he served as Midwest Director and two-term President of the Federation of Historical Bottle Collectors. He is a member and former President of the Russellville Rotary Club, and he and his wife Brenda have two children and live in Russellville.

Arnold Simpson - Former State Representative Arnold R. Simpson was appointed to the Commission by the LRC in September, 2021. He was born in Somerset, Kentucky, and was raised in Covington. He received his BA in Political Science in 1974 from Kentucky State University, and his Juris Doctor in 1977 from the University of Kentucky College of Law. He practiced law from 1978 until his retirement in 2018. He served in the Kentucky House of Representatives from 1994 to 2018. He also served as the Covington City Manager from 1986 to 1989, and the Assistant City Manager from 1984 to 1986. He has served on numerous community Boards and organizations. He and his wife Jo Ann reside in Covington.

Sal Santoro - Former State Representative Sal Santoro was appointed to the Commission by the Speaker of the House in January, 2023. He is President of Santoro Electric Company Inc. and a former Kentucky State Trooper. Santoro represented a portion of Boone County in the Kentucky House of Representatives from 2007 until 2022, serving as Chair of the House Budget Review Subcommittee on Transportation, and on the Appropriations and Revenue, Banking and Insurance, Licensing and Occupations, and Transportation committees. He has served on numerous civic and non-profit organizations, including the Northern Kentucky Convention Center and Visitors Bureau and the Florence Fire Protection District. He is also involved with the OKI (Ohio, Kentucky, Indiana) Regional Council Government. He received his undergraduate degree from the University of Cincinnati and a graduate degree from Xavier University. He and his wife, Sharon, reside in Union, and have three children and eleven grandchildren.

Tanya Pullin – Judge Pullin was appointed to the Commission by the Senate President in May 2020, and she serves as the Vice-Chair. She graduated from Greenup County High School and received a B.S. from the University of Kentucky. She received an M.A. from Duke University and a J.D. from the University of Kentucky College of Law. Judge Pullin served in the Kentucky House of Representatives from 2001 to 2016. From 2016 to 2019, she served as an Administrative Law Judge in the Department of Workers' Claims. Judge Pullin currently resides in South Shore in Greenup County.

David L. Nicholas – Mr. Nicholas is the Chairman of the Commission. He was appointed to the Commission by the Senate President in October, 2018. He worked for 15 years for the General Assembly as Staff Administrator of the Administrative Regulation Review Subcommittee. Prior to that, he was Director of the Division of Occupations and Professions in the Finance Cabinet for 18 years. Mr. Nicholas has a Master's in Public Administration and a Bachelor's in Business Administration from Eastern Kentucky University. He is a member of Buck Run Baptist Church and member of the Board of Directors of the Kentucky Golf Association. He and his wife Pat live in Frankfort and have four children and five grandchildren.

Marie Rader - Former State Representative Marie Rader was appointed to the Commission by the Senate President in January, 2023. Rader represented a district comprised of Jackson and portions of Laurel and Madison Counties in the Kentucky House of Representatives from 1997 to 2018. She chaired the House Committee on Transportation and was a member of the Natural Resources and Energy, Appropriations and Revenue, and Education Committees. A native of McKee, she served as executive director of the Public Housing Authority, and as a member of the Jackson County Development Association and the Jackson County Industrial Authority. She is a graduate of Berea College. She has been active in the Jackson County Kiwanis, Eastern Kentucky Concentrated Employment Program, Daniel Boone Development Council, Cumberland Valley ADD, and City of McKee Council.

Ernie Harris – Former Senator Harris was appointed to the Commission by the President of the Senate in May 2021. Mr. Harris is a native of Oldham County and graduated from the University of Kentucky with a bachelor’s degree in business administration. He also has a master’s in management from Webster University. Mr. Harris served his country for 20 years in the U.S. Air Force and retired as a Lt. Colonel. After his Air Force career, he flew for UPS as a Boeing 757/767 captain. He served in the Kentucky Senate from 1995 until his retirement in 2020. He lives on the family farm in Oldham County.

Katherine Gail Russell – Ms. Russell was appointed to the Commission by the Speaker of the House in May, 2021. She has a private law practice with the law firm of Tilford Dobbins & Schmidt PLLC in the area of bankruptcy, banking and collections, and serves on the Uniform Law Commission and on the Visiting Committee of the University of Kentucky, J. David Rosenberg College of Law. A former Secretary of the Public Protection Cabinet, she also served as Counsel to the House Speaker, as a member of the Kentucky Racing Commission, the Kentucky Economic Development Partnership Board, the Kentucky 911 Services Board, and as the Small Business Ombudsman for the Public Protection Cabinet. She also has served as a Special Justice on the Kentucky Supreme Court. A native of Murray, Kentucky, she received her B.A. with highest distinction from the University of Mississippi and received her J.D. from the University of Kentucky.

Legislative Ethics Commission Staff Profile

Laura Hendrix – Executive Director - Ms. Hendrix joined the Commission staff in May 2018 and became the Executive Director in September 2019. Before joining the Commission staff, she was the General Counsel for the Speaker of the Kentucky House of Representatives, General Counsel for the Legislative Research Commission, Committee Staff Administrator for the Elections, Constitutional Amendments and Intergovernmental Affairs Committee, and a Legislative Analyst for the Health and Welfare Committee of the LRC. Prior to her legislative service, she was the General Counsel for the Executive Branch Ethics Commission, Assistant General Counsel for the Kentucky Higher Education Assistance Authority, and clerked for Judge William L. Graham of the Franklin Circuit Court. She received a bachelor's degree in history from Washington University in St. Louis and a J.D. from the University of Kentucky College of Law. She is a 2018 Henry Toll Fellow.

Emily Dennis – Counsel - Ms. Dennis joined the Commission Staff in October 2019 and serves as the Counsel to the Commission. Previously, she served as General Counsel of the Kentucky Registry of Election Finance from May 2008 – September 2019. She was employed by the Kentucky Justice & Public Safety Cabinet in its Office of Legal Services from 2002-2008 and also served as a Staff Attorney with the Cabinet for Economic Development from 1999-2002. Prior to joining state government, she was associated with the Danville law firm of Sheehan, Barnett, Hays, Dean & Pennington, P.S.C. Dennis received her J.D. from the University of Louisville and B.A. from Transylvania University, where she was a William T. Young scholar. When not practicing law, Emily manages Big Red Stables on her family's third generation farm in Mercer County.

Donnita B. Crittenden - Executive Assistant - Mrs. Crittenden is a graduate of Franklin County High School, and has a B.A. in Public Administration from Kentucky State University. Mrs. Crittenden joined the Commission in August 1993. Her previous experience includes a three-year internship with the Kentucky Department of Education, specifically assigned to the State Board of Education.

Lori M. Smither – Staff Assistant - Mrs. Smither is a graduate of Franklin County High School and has a degree in four areas of Interdisciplinary Early Childhood Education. In addition, Mrs. Smither has obtained certificates for the Kentucky Director's Credential, Kentucky Child Care Provider, School Age Child Care, Interdisciplinary Early Childhood Education Technical Studies, and Early Childhood Administrator. Her previous experience includes working as a Member Service Representative at a banking institution for seven years, as a Director/Teacher for 11 years, and part-time at the Ethics Commission for eight years.

Mark Brengelman – Enforcement Counsel - Mr. Brengelman graduated with both Bachelor's and Master's degrees in Philosophy from Emory University in Atlanta, and earned a J.D. from the University of Kentucky College of Law. He became an Assistant Attorney General working in the area of administrative and professional law as the assigned counsel and prosecuting attorney to numerous health profession licensure boards. He retired from state government in 2012, became certified as a hearing officer, and opened his own law practice. Mr. Brengelman is a frequent participant in continuing education having presented for multiple state and national organizations and private companies. He also represents children as Guardian ad Litem and parents as Court Appointed Counsel in confidential child abuse and neglect proceedings in family court.

Robert Jenkins – Investigative Counsel – Mr. Jenkins joined the Commission Staff in September, 2022. He worked for 27 years with the Kentucky Legislative Research Commission, and he also has over ten years of insurance defense experience. He was Deputy Director for Committee and Staff Coordination for ten years at LRC. Robert oversaw committee operations and all aspects of the legislative process. Robert also helped with orientation for new legislators to the Kentucky General Assembly. Robert has lectured at numerous legal seminars sponsored by the Kentucky Bar Association and Legislative Research Commission. He has spoken with-and trained-more than 100 community groups and nonprofit organizations on matters relating to legislative advocacy and process.

Education and Training FY 2022-2023

- July, 2022 ♣ Emily Dennis, Presentation at China Rule of Law Exchange program sponsored by US-ASIA Institute, via zoom
- August, 2022 ♣ Laura Hendrix, Presentation on “An Ethics Exploration” panel at the National Conference of State Legislatures Legislative Summit Meeting, Denver, CO
 ♣ Laura Hendrix, Presentation on Kentucky’s Legislative Ethics Code to the Louisville Metro Council
- September, 2022 ♣ Laura Hendrix, Presentation on Kentucky’s Legislative Ethics Code to University of Kentucky Martin School Ethics Class
 ♣ Laura Hendrix and Emily Dennis, LRC Proofreaders Training Session
- December, 2022 ♣ Commissioner Gail Russell and Emily Dennis attended the Council on Governmental Ethics Laws (COGEL) Annual Conference in Montreal, Canada, where Commissioner Russell presented as a Panelist at “Tools For Keeping Your Commission Informed”
 ♣ Laura Hendrix, Donnita Crittenden, Lori Smither and Emily Dennis, Lobbyist Training Session for Thomas J. Litafik
 ♣ Laura Hendrix and Emily Dennis, New Legislator Training Session
- January, 2023 ♣ Current Issues Seminar for Members of the General Assembly conducted by LEC Staff virtually and in-person. Guest Speakers: Kenneth Taylor and Andy Boone, Asst. U.S. Attorney, Eastern District of Kentucky
 ♣ Laura Hendrix, Donnita Crittenden, Lori Smither and Emily Dennis, Training Workshop for Employers and Legislative Agents

During the fiscal year, the Commission staff:

- Provided various in-house training sessions, as requested;
- Posted (on website) Legislative Ethics Code Overview Training which is accessible to the regulated community and public at any time;
- Posted (on website) Employer and legislative agent training workshop which is accessible to the regulated community and public at any time;
- Reviewed, approved, and posted (on website) 157 Financial Disclosure forms for legislators, candidates and LRC major management staff;
- Issued an estimated 500 verbal and written informal advisory opinions;
- Answered numerous filing and procedural questions;
- E-mailed monthly Ethics Reporters to all General Assembly members, LRC staff, news media, legislative agents, and employers;
- E-mailed filing notifications monthly to all employers and legislative agents;
- Created an online list of bills lobbied;
- E-mailed and mailed updated employers and lobbyists lists monthly to all General Assembly members and LRC staff (weekly during legislative session).

**Legislative Ethics Commission
Registration of Lobbyists and Employers
FY 2022-2023**

Number of Employers: 866

Number of Legislative Agents: 675

Updated Registration Statements were filed on:

- September 15, 2022
- January 15, 2023
- February 15, 2023
- March 15, 2023
- April 15, 2023
- May 15, 2023

The Kentucky Legislative Ethics Commission (KLEC) continues to enhance its database and website, making more information available to the public regarding legislative agents (lobbyists) and their employers.

By accessing KLEC's web site, citizens can review a variety of reports, including legislator and candidate financial disclosure forms, a list of legislative agents and their employers, legislative agent compensation, employer expenses sorted by the employer's name, and employer expenses sorted by industries, such as "gaming" or "health care", and bills lobbied.

Complaints and Administrative Actions FY July 1, 2022 - June 30, 2023

Complaints:

There were two (2) formal complaints filed against legislators during this fiscal year. Both complaints were pending as of the end of the fiscal year.

There were also two (2) pending complaints reported in the prior fiscal year. One of these complaints was still pending at the end of the fiscal year. The other pending complaint against a legislator and a lobbyist were resolved. The legislator received a public reprimand and a civil penalty of \$2,000.00 against the legislator. The lobbyist received a public reprimand, a civil penalty of \$1,000.00, and revocation of registration as a legislative agent for 6 (six) months.

Administrative Fines Levied by the Commission:

Legislative Agents	\$4,050.00
Employers	\$4,450.00
Legislators	\$2,000.00
Candidates	\$0.00
Total Fines Collected	\$10,500.00

These fines were assessed due to failure to file statements by the designated filing deadlines, and if complaints were filed with the Commission.

Employers and legislative agents are cautioned that chronic late filing of forms may result in additional penalties and possible action by the Commission.

LOBBYING EXPENSES AS REPORTED 1993 - 2023

YEAR	EMP FB	EMP AE	EMP RME	EMP EXP	LA FB	LA RME	LA EXP	LA COMP	TOTAL
2023	\$0	1,063,099	313,688	518,485	\$0	1,067	39,509	15,847,064	17,782,912
2022	\$0	330,595	316,262	621,942	\$0	7,468	53,588	23,114,432	\$24,444,287
2021	\$0	\$525,072	\$131,211	\$811,869	\$0	\$24,897	\$131,211	\$19,334,022	\$20,958,282
2020	\$0	\$367,201	\$178,087	\$640,095	\$0	\$5,607	\$613,013	\$19,116,673	\$20,920,676
2019	\$0	\$317,860	\$222,083	\$568,785	\$0	\$24,235	\$726,440	\$20,432,842	\$22,292,245
2018	\$0	\$478,350	\$249,972	\$992,151	\$0	\$14,909	\$1,007,980	\$20,428,445	\$23,171,807
2017	\$0	\$227,917	\$192,375	\$690,639	\$0	\$17,542	\$846,917	\$18,856,830	\$20,832,220
2016	\$0	\$299,479	\$236,495	\$660,162	\$0	\$6,027	\$888,039	\$18,692,836	\$20,783,038
2015	\$0	\$1,017,588	\$190,100	\$600,903	\$0	\$13,484	\$781,811	\$16,692,957	\$19,296,843
2014	\$149	N/A	\$185,402	\$563,386	\$0	\$8,685	\$831,507	\$16,822,398	\$18,411,527
2013	\$429	N/A	\$154,182	\$453,074	\$30	\$11,648	\$852,342	\$14,970,623	\$16,442,328
2012	\$539	N/A	\$143,154	\$858,368	\$0	\$16,407	\$945,621	\$15,813,368	\$17,777,457
2011	\$228	N/A	\$160,435	\$393,916	\$16	\$17,491	\$905,572	\$13,613,009	\$15,090,667
2010	\$530	N/A	\$189,059	\$904,378	\$0	\$28,206	\$1,188,642	\$14,382,024	\$16,692,839
2009	\$236	N/A	\$135,943	\$462,256	\$0	\$19,126	\$985,833	\$13,659,283	\$15,262,677
2008	\$434	N/A	\$248,463	\$691,801	\$82	\$35,100	\$1,196,922	\$14,729,726	\$16,902,528
2007	\$160	N/A	\$160,087	\$530,195	\$0	\$18,175	\$1,025,796	\$11,951,309	\$13,685,722
2006	\$423	N/A	\$227,190	\$803,103	\$157	\$19,631	\$1,061,624	\$13,362,476	\$15,474,604
2005	\$420	N/A	\$214,397	\$615,303	\$268	\$24,663	\$902,410	\$10,808,709	\$12,566,170
2004	\$561	N/A	\$204,701	\$819,692	\$150	\$10,003	\$213,134	\$10,836,866	\$12,085,107
2003	\$542	N/A	\$193,663	\$848,670	\$0	\$4,639	\$0*	\$8,141,073	\$9,188,587
2002	\$262	N/A	\$188,446	\$1,008,768	\$20	\$8,248	\$0*	\$9,088,595	\$10,294,339
2001	\$160	N/A	\$136,819	\$608,853	\$73	\$4,201	\$0*	\$6,132,887	\$6,882,993
2000	\$95	N/A	\$136,032	\$857,075	\$0	\$13,424	\$0*	\$8,295,998	\$9,302,624
1999	\$248	N/A	\$30,082	\$411,981	\$0	\$1,562	\$0*	\$3,989,617	\$4,433,490
1998	\$20	N/A	\$82,741	\$939,643	\$10	\$4,500	\$0*	\$7,086,054	\$8,112,968
1997	\$14	N/A	\$22,072	\$420,529	\$0	\$4,019	\$0*	\$3,137,175	\$3,583,809
1996	\$589	N/A	\$40,822	\$880,518	\$301	\$3,939	\$341,893	\$6,037,002	\$7,305,064
1995	\$177	N/A	\$15,692	\$318,105	\$107	\$534	\$144,098	\$2,254,114	\$2,732,827
1994	\$852	N/A	\$34,117	\$1,356,719	\$350	\$2,305	\$514,701	\$4,557,014	\$6,466,058
1993	\$81	N/A	\$1,426	\$552,648	\$3	\$108	\$0	\$986,811	\$1,541,077
Totals	\$7,149	\$3,564,062	\$4,621,510	\$20,885,527	\$1,567	\$370,783	\$16,159,094	\$367,325,168	\$430,717,772

Guide to Abbreviations:

EMP.FB (Emp. Food and Beverage)

EMP.RME (Emp. Reception, Meals & Events)

EMP.EXP (Emp. Expenses)

EMP.AE (Emp. Advertising Expense)

LA. FB (Legislative Agent Food and Beverage)

LA. RME (Legislative Agent Reception, Meals & Events)

LA. EXP (Legislative Agent Expenses)

LA. COMP (Legislative Agent Compensation)

* Employer forms were amended to delete section dealing with reimbursed expenses to legislative agents.

Staff discovered that employers were listing amounts reimbursed to legislative agents for expenses and legislative agents were reporting these figures during the same period.

2023 figures include totals through August 31, 2023.

2015 was first year for reporting EMP AE

NOTE: Numbers have been rounded to the closest dollar for convenience.

**MONEY SPENT ON LEGISLATIVE ACTIVITY SINCE THE ENACTMENT OF
THE LEGISLATIVE ETHICS CODE - September 1993**

Legislative Year	Money for food and beverages for legislators and their families.	Money for food and beverages at recognized events.	Total expenses/expenditures for lobbying. (Includes legislative agent salary.)
2023**	\$0	\$313,688	\$17,782,912
2022	\$0	\$316,262	\$24,444,287
2021	\$0	\$131,211	\$20,958,282
2020	\$0	\$178,087	\$20,920,676
2019	\$0	\$222,083	\$22,292,245
2018	\$0	\$249,972	\$23,171,807
2017	\$0	\$209,917	\$20,832,220
2016	\$0	\$242,522	\$20,783,038
2015	\$0	\$190,100	\$19,296,843
2014	\$149	\$185,402	\$18,411,527
2013	\$429	\$154,182	\$11,983,736
2012	\$539	\$159,685	\$17,777,457
2011	\$244	\$177,926	\$15,090,667
2010	\$530	\$189,059	\$16,692,839
2009	\$236	\$135,943	\$15,262,677
2008	\$434	\$248,463	\$16,902,528
2007	\$160	\$160,087	\$12,658,586
2006	\$580	\$245,725	\$14,411,884
2005	\$688	\$239,060	\$11,663,760
2004	\$711	\$214,704	\$11,871,973
2003	\$542	\$198,302	\$9,188,587
2002	\$282	\$196,694	\$10,294,339
2001*	\$233	\$141,020	\$6,882,993
2000	\$95	\$149,456	\$9,302,624
1999	\$248	\$31,644	\$4,433,490
1998	\$30	\$87,241	\$8,112,968
1997	\$14	\$26,091	\$3,583,809
1996	\$890	\$44,761	\$7,305,064
1995	\$284	\$16,226	\$2,732,827
1994	\$1,202	\$36,422	\$6,466,058
1993	\$84	\$1,534	\$1,541,077

*2001 Reflects totals from the first annual session in an odd-numbered year. **2023 figures include totals through August 31, 2023.

From 1993 to August 31, 2023, \$430,717,772 was reported.

Of that figure, \$383,172,232 was attributed to salaries of legislative agents and \$47,545,540 was for other lobbying expenses.

The Ethics Reporter

JULY 2022

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

Opensecrets.org ranks Kentucky Ethics websites 17th out of 50 states

Important upcoming date:

Updated registration statements from lobbyists and employers are due **September 15, 2022** for the time period of May 1 to August 31, 2022.

Legislators' and candidates' financial disclosures are on klec.ky.gov

The Kentucky Legislative Ethics Commission's website klec.ky.gov and the Executive Branch Ethics Commission's website ethics.ky.gov were collectively ranked 17th out of 50 states in a recent comparison by Opensecrets.org of state lobbying disclosure websites, and garnered an overall score of 14.5 out of 20.

The report ranked states' sites on the basis of disclosure of who is lobbying and who is paying for it, how much lobbyists are paid, whether there's timely disclosure, and how easily the public can access disclosed information. The sites received, out of a possible 5 in each category, a 5, 4, 4, and 1.5, respectively.

Our staff has been working with Legislative Research Commission staff to update our searchable database and online filing system, which will assist in ease of use and



transparency.

The full report may be found at <https://www.opensecrets.org/news/reports/layers-of-lobbying/lobbying-scorecard>



May a legislator be a lobbyist?

Answer on page 4

New and terminated lobbying employers, and name change

Several newly registered lobbying employers are: **Lexington Nonprofit Coalition**; **NET Recovery Corp.**; **Scientific Games LLC**; and **Southeast Blockchain Association**.

Three employers terminated their lobbying activity recently: **Gibson Electric Membership Corporation**; **Kentucky Public Health Association**; and **Pearson Education Limited**.

Additionally, **Anthem Inc. & Its Affiliates** has changed its name to **Elevance Health & Affiliates DBA Anthem, Inc.**

Anyone may check the up-to-date Searchable Register of Employers and Legislative Agents on the Commission's website at <http://apps.klec.ky.gov/searchregister.asp>



*“Ethics must be reintroduced to public service to restore people's faith in government. Without such faith, democracy cannot flourish.”
-Walter Cronkite*

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Lawmaker agrees to pay \$500 penalty in ethics case

NEW MEXICO-Albuquerque Journal-By Dan McKay-July 16, 2022

State Rep. Rebecca Dow has agreed to pay a \$500 civil penalty for violations of the Governmental Conduct Act under a tentative settlement with the State Ethics Commission, potentially ending a case she fought fiercely for almost two years.

The settlement isn't final yet. If granted, it would end the highest-profile ethics case since voters approved a constitutional amendment in 2018 establishing New Mexico's independent ethics agency.

Dow said Friday that she couldn't comment on the settlement until it's final.

But public records show she accepted a settlement in late June agreeing to pay \$500 for two violations of the state law that restricts when legislators may represent a client before a state agency.

The Governmental Conduct Act prohibits state lawmakers from helping someone before a state agency unless the lawmaker is unpaid or working on behalf of a constituent.

The law also includes an exception for legislators who deal with state agencies while "engaged in the conduct of their professions." But in those cases, the lawmakers cannot make reference to their role as a legislator. The ethics case against Dow centered, in part, on allegations that she had violated the law by representing an early childhood center she founded. Dow is the founder and a former CEO of AppleTree, a nonprofit that serves children and families in Sierra

County. It receives most of its revenue from state grants and contracts, according to documents in the case.

In pursuing the complaint against Dow, Walker Boyd, the general counsel of the State Ethics Commission, said Dow had sent emails on behalf of AppleTree to the Public Education Department and had submitted an invoice to AppleTree for services that included meeting with Cabinet secretaries to promote AppleTree — evidence, Boyd said, that she had violated the restrictions on when a legislator may represent a client before state agencies.

He also said Dow had, in some cases, made reference to her capacity as a legislator by signing an email "Rep Dow" or using her legislative email address.

Dow, in turn, has vigorously denied the allegations. In her own filings, she contends she was just representing a constituent — AppleTree — the same way any legislator is permitted to represent people in their district.

She described herself as volunteering her time for the group in recent years — rather than accepting payment — and contends she not only complied with state law but also consulted with legislative staff on how to properly disclose her role with AppleTree. Even so, she said, she voluntarily amended financial disclosure documents to address concerns raised by the ethics staff.

In January, Dow described the ethics staff as "way out of bounds" and said the agency "continues to invent new claims of violations as old ones are abandoned."

Also that month, she said: "I have publicly disclosed — overdisclosed — all the details of my work and very modest payment for an important nonprofit in my district."

Dow said Friday that she couldn't comment. "Until the settlement is approved and final, it is not appropriate to respond to the substance of your questions," she told the Journal.

The case played out as Dow sought reelection to the House in 2020 and throughout this year as she campaigned for governor.

The settlement would bring the case to a close. As part of the agreement, Dow would abandon some pending court challenges she filed as she fought the allegations.

The State Ethics Commission is empowered to enforce state laws on campaign reporting, financial disclosures, lobbyists and other matters.

Voters authorized its creation in 2018, and lawmakers subsequently passed a bill outlining more specifically how it would operate.

The seven-member commission began accepting ethics complaints in 2020 and makes them public only upon a finding of probable cause.

Chicago City Council unanimously passes ethics overhaul, boosts fines to \$20K

ILLINOIS-WTTW News-By Heather Cherone-July 20, 2022

The Chicago City Council unanimously approved a major overhaul of Chicago's Governmental Ethics Ordinance Wednesday after months of behind-the-scenes negotiations over the package designed to root out the corruption that has led to the conviction of 37 members of the Chicago City Council since 1969.

Authored by Ald. Michele Smith (43rd Ward), the chair of the City Council's Ethics and Government Oversight Committee, and backed by the Chicago Board of Ethics, the package was significantly revised to win the support of Mayor Lori Lightfoot, who blocked the measure from advancing for several months.

The measure hikes the maximum fine for violating the city's ethics ordinance from \$5,000 to \$20,000.

The City Council voted 50-0 in July 2019 to overhaul the city's ethics laws by giving the inspector general the authority to investigate alderpeople and committees by hiking the fine for violations from \$2,000 to \$5,000. That measure also banned members of the City Council from working as property tax attorneys — a provision that was aimed squarely at indicted Ald. Ed Burke (14th Ward).

But those changes were less far reaching than originally proposed by the Ethics Board, and Lightfoot promised more reforms were in the works.

The Ethics Board has found probable cause that a number of Lightfoot's allies on the Chicago City Council have violated the city's ethics ordinance using the process.

The Ethics Board is now required to notify the elected official in writing at least 10 days before the Board of Ethics could find probable cause that they violated the law, giving them a chance to refute the allegation and avoid public embarrassment.

The board determined in June that there was probable cause that the ordinance had been violated in June in a case involving "campaign-related content in an official ward newsletter, emailed from a cityofchicago.org email address, contrary to clear board guidance on the improper mixing of political and official content in newsletters and websites that was sent to all city elected officials in January 2020."

Ald. Derrick Curtis (18th Ward), a Lightfoot ally, sent an email on June 2 to residents of his Far South Side ward that included an advertisement for the mayor's reelection kickoff event at the Starlight Restaurant on June 8. That newsletter included an image that invited 100 residents to reserve a spot at a "supporter breakfast" by contacting Curtis' ward office on a first-come, first-served basis.

In addition, the measure expands the number of companies doing business with the city that would be limited to contributing \$1,500 annually to include those doing business with all of the city's sister agencies, including the Chicago Transit Authority, the Chicago Public Schools and Chicago Housing Authority.

The proposal directs the city's Department of Assets, Information and Services to compile a list of contractors for the Chicago Housing Authority and the Public Building Commission, to allow Chicago elected officials to comply with the limits.

However, the revised measure does not expand the limit on campaign contributions to subcontractors with the city's sister agencies, since there is no database of those firms. The measure also expands the city's rules against nepotism to prevent city officials or employees from taking any action that benefits their domestic partner or relatives and prohibit firms from hiring relatives of city officials to skirt the rules.

But those elected officials will not have to physically leave the City Council chambers or the virtual meeting when that item is discussed and voted on. Instead, the official will have to file details about the conflict of interest with the Chicago Board of Ethics within 24 hours. That

information will be made public in a searchable format.

The proposal bans former alderpeople who work as lobbyists from the floor of the Council Chambers.

While city law prohibits the use of city property for political purposes, the measure permits "incidental" use of the city seal in a video or photograph that has a disclaimer attached that it is not an official city of Chicago production.

In addition, the revised ordinance allows elected officials to host donation drives for charitable organizations by placing bins in their offices and city property.

The revised ordinance also requires independent contractors who work for members of the City Council to complete a statement of financial interest and undergo ethics training. A similar measure was defeated in 2017 after it caused an outcry.

The city's law also clarifies the city's rules on lobbying to exempt Chicagoans who urge their alderperson to support a measure with a nonprofit advocacy organization.

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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, and also on the LRC Capitol Connection page at <https://www.youtube.com/watch?v=ojKIWUNV8po&feature=youtu.be>

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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) 564-9084

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

No. KRS 6.757 prohibits a sitting legislator from being a lobbyist. A former legislator may not lobby for 2 years after leaving office, except for a public agency.

The Ethics Reporter

AUGUST 2022

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

Updated registration statements due September 15th

Did you know?



All legislators and legislative candidates must file a statement of financial disclosure with KLEC. These are then posted on the KLEC website, at <https://klec.ky.gov/Reports/Pages/Legislators-and-Candidates.aspx>

Employers and legislative agents' next updated registration statements (expense reports) are due **September 15, 2022**, for the time period of May 1 to August 31, 2022.

If a legislative agent is hired by an employer, they must file an initial registration statement with the Commission within 7 days of engagement. Information required includes: name/address, nature of business, bill numbers if available or general description of legislative action for which the agent is engaged. The registration is valid until the December 31 of an odd-numbered year, unless previously terminated.

Thereafter, employers and legislative agents must file periodic updated statements detailing expenses, expenditures and financial transactions. These additional reports shall be filed 6 times per year, by January 15, February 15,



March 15, April 15, May 15, and September 15.

A searchable register of the employer and agent reports is available via the Commission's website, at

<http://apps.klec.ky.gov/searchregister.asp>



Must legislators have ethics training?

Answer on page 4

New lobbying employers for August

Several newly registered lobbying employers are:

Airbnb, Inc.; ALS Association; Beargrass Creek Conservatory; Behavioral Health Group; Bellarmine University; IBM Corporation; LHC Group, Inc.; People United for Privacy Foundation (PUFPF); Pikeville Medical Center; and Robert Alexander Center for Recovery.

Important reminder about legislative mailings

The Ethics Commission, in 2001, provided guidance for legislative mailings sent at public expense, so legislators and staff do not run afoul of the Ethics Code provisions against using public funds and facilities for partisan political campaign purposes. While each mailing would be judged on its own merits, under the guidelines, legislators and staff sending out mailings should avoid sending them within 60 days prior to an election, which would be **September 9, 2022**. The mailings should also take care to provide factual information and avoid campaign related content or overtly partisan rhetoric, and the mailing itself should generally be to constituents or others who've contacted the legislator. Questions about particular mailings should be addressed to the Ethics Commission staff. A copy of the guidelines are available on the Commission's website.



*"No man is above
the law and no man
is below it."*

-Theodore Roosevelt

PAGE 2

Cincinnati launches new Office of Ethics and Good Government to rebuild 'public trust'

OHIO-Spectrum News 1-By Casey Weldon-May 14, 2022

The City of Cincinnati endured one of its most difficult periods in government history two years ago as it watched one-third of City Council arrested on federal corruption charges. Federal prosecutors accused City Hall of having a "culture of corruption." Public confidence was shaken.

Over the past two years and two administrations, the City of Cincinnati has worked to help reshape that image. And one way it's doing so is through the creation of the Office of Ethics and Good Government. The office's job is to educate and train elected officials and all city staff on ethics-related issues, ranging from conflicts of interest to campaign contribution matters. It also investigates suspected cases of impropriety submitted through a new hotline. The three-person office opened in January. It's led by Christopher Liu, a longtime attorney in the city's Law Department.

"This is something that we should have had a long time ago," said Council member Greg Landsman, who proposed creating the new office. "In the wake of all the chaos and craziness of the past couple of years, we needed to do everything in our power to restore public trust."

Landsman is the only current member of City Council or elected official at City Hall who was in office when federal agents arrested Tamaya Dennard, Jeff Pastor, and one-time mayoral frontrunner P.G. Sittenfeld. All the charges centered on taking bribes from developers looking to do business with the city.

Working to reestablish public trust

It was important for the city to take drastic steps to restore public confidence that the government was working fairly on the citizens' behalf.

"We want people to look at City Hall and the changes and say, 'OK, I trust this group; I trust this institution,'" Landsman said. "That's what matters most."

Landsman called the creation of the Office of Ethics and Good Government arguably the most important of the reforms because it established "real leadership and infrastructure" to ensure that whatever City Council passes is on the up-and-up.

As head of the department, Liu works alongside two paralegals, but they also have the support of the Office of Administrative Hearings, which handles things like rulings on city parking tickets and various city codes, including building and zoning codes, which are vital to the development process.

Another important reform was the creation of an Economic Development Reform Panel in December 2020. The panel came up with a number of ideas the Office of Ethics and Good Government will implement and follow up on. One was the creation of a "City Business List," a publicly available document that shows the "financially interested persons" associated with development projects making their way through the legislative process at City Hall.

The goal is to promote transparency and help avoid conflicts of interest. Placing

all that information on an online web portal will allow the public to know what development deals are in front of City Council and who has a financial stake in the outcome of that vote, Liu said.

Anyone on that list can't donate to political campaigns to city elected officials while their motion is before City Council. Likewise, the mayor and members of City Council won't be able to solicit donations from anyone on that list. Office staff have worked on the portal since its inception in January, Liu said. They're actively working to get it up and running.

To promote awareness of City Business List disclosure process, the Office of Ethics and Good Government will host a pair of hour-long public information sessions and workshops at City Hall.

Liu's team also oversees a "Ethics, Fraud, Waste & Abuse" hotline — both a phone number and a website — for residents or city employees to "safely and anonymously" report any concerns they might have. They'll also investigate any complaints.

Liu and his team will handle training on Ohio ethics law across all city offices and departments. One of the biggest challenges is avoiding potential conflicts of interest.

The new training covers a lot of different scenarios. Liu described the job-specific training to "meet people where they are" and to focus specifically on the most common pitfalls they might come across in their actual jobs.

Florida Power & Light operates an exclusive, invite-only lounge for lawmakers and lobbyists

FLORIDA -Politico-By Matt Dixon and Bruce Ritchie-August 2, 2022

Consider it Tallahassee's version of the fabled smoke-filled backroom.

Florida Power & Light, one of the state's most politically powerful companies, operates an event space located on the third floor of the company's \$2 million, 13,000 square foot downtown Tallahassee offices. The building is nondescript and includes no signs that would indicate it's owned by one of the largest power companies in the country. The third floor of the building, where the bar is located, has a series of large shutters that make its outdoor patio area impossible to see from the street level.

The exclusive lounge is used by company officials to host lobbyists and the lawmakers whose votes they need, according to more than six people familiar with the space.

"I have been invited to meetings and events at their offices and I follow the gift laws," said state Rep. David Silvers. Florida Power & Light confirmed they utilize the space following inquiries by POLITICO.

"Just like many other companies, trade associations and other organizations in Tallahassee, NextEra Energy, FPL's parent company, pays for a private meeting place in the city that's used for internal and external company functions," said Chris McGrath, a spokesperson for Florida Power & Light. "This space has been used for a number of years and all external functions conducted in the space are done in accordance with applicable laws."

"Any applicable costs are paid for by NextEra Energy — not FPL customers," he added.

Revelations of the party space, which has not previously been reported, come as the company is mired in scandals over its aggressive approach to lobbying and public advocacy. Among the most recent disclosures: The company tried to covertly influence state elections and set up news sites to attack critics and further its political agenda.

Six people who have visited the bar on multiple occasions describe it as one of the nicest venues in the city's downtown, which is lined with upscale lounges that cater to the political class. Yet Florida Power & Light's venue remains all-but unknown to the general public. Several of the people said it's frequented by powerful lawmakers and staff, most of whom are considered backers of FPL's legislative agenda and are responsible for crafting legislation directly involving Florida Power & Light. They were granted anonymity to discuss the event space because they feared speaking out against the powerful company. Some work on Florida Power & Light's contract lobbying team and are not authorized to speak to the media.

"That's its purpose, it's the 'friends of the FPL program' that are invited," said one person who has attended the bar multiple times. "If you're there you probably are already with them." State Rep. Anna Eskamani, one of FPL's biggest critics, said the energy company's exclusive lounge raises concerns that Florida Power & Light is illicitly influencing lawmakers and violating the state's gift ban and open meetings laws, which require public notice of gatherings when lawmakers discuss legislative

business.

"I don't understand why any electricity company needs a private, invite-only lounge for lawmakers that is next to the Florida Capitol," Eskamani said. "Not only could this be a serious violation of Sunshine Laws and the legislature gift ban, but it all feeds into our collective concern that FPL uses corrupt business practices to influence politicians, buy out media outlets, and undermine democracy."

"All while increasing utility rates on consumers," she added. One lobbyist who has been to the bar on multiple occasions described the location as having a "high-end fully stocked bar, big TV, fireplace I believe, a bunch of plush leather couches and a mix of FPL employees, lobbyists and legislators." The bar itself is 1,278 square feet, and the space includes a separate 548 square foot lounge and an additional outdoor bar, according to city blueprints of the building reviewed by POLITICO.

State Rep. Randy Fine said he has been to FPL's bar but disagrees that it's swankier than other bars. He said it's just a place for people to talk mostly about politics in private.

"I have been there, yes, but there are lots of groups that have stuff like this," Fine said. "When you are in Tallahassee and want to meet with folks, your options are limited and extremely limited to talk about politics. If I want to talk about legislation, I can invite people to my office, but it's different with politics. You have to go to their offices."

He said there is usually a container at the location for guests to slip in money, and he "always

pays."

Florida Power & Light and its affiliates don't have a liquor license at the location, according to a spokesperson for the Department of Business and Professional Regulation, which regulates state liquor licenses.

McGrath, the FPL spokesman, did not respond to follow-up questions about whether there is a policy or requirement to ensure visitors and others adhere to Florida's gift ban, which prohibits lobbyists from providing drinks, food or entertainment to lawmakers or their staff. He also would not answer questions about whether FPL has a liquor license, which would be needed to sell liquor.



"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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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) 564-9084

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. 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/lec bills2022.pdf

The Ethics Reporter

OCTOBER 2022

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

Informal and formal advisory opinions on the Legislative Ethics Code available upon request

Did you know?



The next filing date for employers' and legislative agents' spending disclosures is **January 17, 2023**.

The Legislative Ethics Commission is available to provide informal and formal advisory opinions to anyone covered by the Legislative Ethics Code or who is personally and directly involved in a matter covered by the Code. This includes legislators, legislative staff, legislative candidates, lobbyists, and employers. The Commission may also issue opinions on its own initiative.

A key function of the Commission is providing these opinions, which help to guide people in their future conduct under the Code.

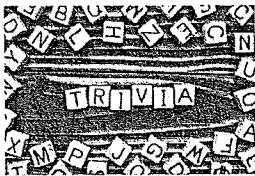
Informal opinions, provided by staff, are the most common way that persons affected by the Code can receive quick answers to their questions. You may call or email staff and we will provide an informal opinion.



If a formal advisory opinion is needed, one may be requested in writing, and the Commission will vote on the opinion. Formal opinions are published on the Commission's website without reference to the identity of the requester.

Both formal and informal opinions are confidential, unless the requester waives confidentiality in writing, or the requester makes public the substance of the opinion.

Questions? Call us at (502) 573-2863.



May a Kentucky legislator receive an honorarium for speaking at an event?

Answer on page 4

New lobbying employers for October

Several newly registered lobbying employers are:

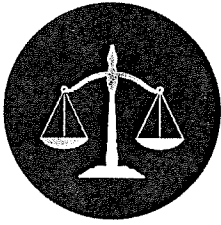
Biotactical Solutions; Kentucky College of Art and Design; Life Learning Center; and ProtectED.

Training for legislators! Mark your calendars.

Every new legislator must have 2 hours of ethics orientation, and all legislators must have 2 hours of ethics current issues training per year.

The new legislator ethics orientation will be held on **December 14, 2022**, in conjunction with the LRC's new legislator training.

The annual current issues training will be held on **January 4, 2023** from 9 to 11 a.m. for all legislators.



“To be good, and to do good, is the whole duty of man comprised in a few words.”

—Abigail Adams

AT&T Illinois to pay \$23 million to settle corruption probe related to bribing former politician

ILLINOIS-CNBC - October 14, 2022

AT&T Illinois has agreed to pay a \$23 million fine to resolve a federal probe into its illegal efforts to influence former Illinois House Speaker Michael Madigan, who also faces new charges for his role in the scheme, prosecutors announced Friday.

Under the agreement, the company admits that it arranged to make payments to an associate of Madigan, who was one of the state’s most powerful political figures at the time, in exchange for Madigan’s help in pushing through legislation favorable to the company, the U.S. attorney’s office in Chicago said in a news release. In what could spell trouble for Madigan, prosecutors also said the company agreed to cooperate with any related investigations.

Madigan’s attorney, Sheldon Zenner, declined to comment when reached by phone.

In a separate release, the U.S. attorney’s office said that Madigan, who was charged in March for his alleged role in a nearly \$3 million racketeering bribery scheme, was indicted by a federal grand jury for his role in the AT&T scheme. In a separate indictment unsealed Friday, the company’s former president, Paul La Schiazza, was charged with participating in the conspiracy and other offenses.

Madigan, 80, has had a dramatic fall from power since retiring under pressure last year and ending his run as the longest-serving speaker of a

state House of Representatives in modern history. As the speaker of the Illinois House, Madigan, nicknamed the velvet hammer, wielded immense power. His reward of campaign cash and choice legislative assignments helped let him determine which bills received a hearing and which didn’t.

In March, he was charged in an alleged racketeering bribery scheme involving utility Commonwealth Edison. According to prosecutors, Madigan used his speaker role and various other positions of power to further his alleged criminal enterprise. Those charges were filed after federal prosecutors announced in 2020 that the utility had agreed to pay \$200 million and cooperate with an investigators of a years-long bribery scheme. McClain is charged in that case as is a lobbyist, a consultant and a former ComEd CEO.

The allegations against Madigan involving AT&T are similar. In their news release, prosecutors allege that Madigan and his close friend Michael F. McClain, who is also charged in both alleged schemes, “conspired with AT&T Illinois’s then-president to corruptly arrange for \$22,500 to be paid at the direction of the company to the Madigan ally.”

According to prosecutors, AT&T admits that in 2017, it arranged for a Madigan ally to receive the payments through a lobbying firm that had done work for the company. Prosecutors contend that arrange-

ment was made to “disguise” why the ally, who didn’t work for the company, was being paid.

On Friday, prosecutors announced that in exchange for agreeing to pay the fine, they suspended their criminal case against AT&T, which alleges that it used an interstate facility to promote legislative misconduct. If, after two years, the company “abides by certain conditions, including continuing to cooperate with any investigation related to the misconduct alleged in the information,” the charges will be dropped.

In a brief statement, AT&T said: “We hold ourselves and our contractors to the highest ethical standards. We are committed to ensuring that this never happens again.”

Ex-House Speaker Lee Chatfield suspected of criminal enterprise, embezzlement

MICHIGAN— *Michigan Live*-by Jordyn Hermani-October 18, 2022

Whether Lee Chatfield, Michigan's former House speaker, engaged in a "criminal enterprise" is the subject of court documents briefly made public which allege the ex-lawmaker may be guilty of embezzlement, bribery, use of controlled substances and campaign finance violations.

Chatfield was a part of the state Legislature from 2015 through 2020 when he termed out of office.

Contents of the court documents, which were accidentally released by Lansing's 54-A District Court before being quickly re-restricted, were reported by The Detroit News late Monday, Oct. 17.

MLive reached out to obtain these sealed records but was told by 54A District Court Collection Manager Marketa Taylor that would not be possible.

"On Monday, October 17, 2022, suppressed Chatfield court documents were released to The Detroit News in error," she told MLive in an email. "Due to the error and the suppression order that the court must comply with, the court will not be releasing any Chatfield documents to any other media outlets."

The two affidavits obtained by the News are dated from April and are associated with the ongoing criminal probe into Chatfield by the Department of Attorney General.

The office stepped in to aid Michigan State Police in the

probe back in February which is focused on allegations of abuse carried out by Chatfield against his sister-in-law, Rebekah Chatfield, when she was a minor.

As part of those affidavits, where state agents sought to establish probable cause to get a judge to authorize search warrants, Chatfield's brother Aaron Chatfield reportedly told investigators that he would occasionally receive money from the lawmaker despite not doing "any work." The News also reported that in one affidavit, an agent in the Attorney General's financial crimes section said Aaron Chatfield purchased and provided the prescription drug Adderall to Lee Chatfield and two Lansing lobbyists "20 to 30 times."

Lee Chatfield's attorney, Mary Chartier, was not able to be reached for comment in time for publication however she told the News that her client "vehemently denies" what was alleged within the affidavits.

According to the News, those same affidavits go on to note that Bryan Ferguson, an employee within the AG's financial crimes section, indicated that it was alleged "Chatfield, along with others engaged in a criminal enterprise, which included embezzlement, campaign finance violations, bribery, the use, possession and delivery of controlled substances, misconduct

in office and income tax evasion."

The News similarly reported that Rebekah Chatfield, who is married to Aaron Chatfield, told investigators she participated in a system where she and Aaron would cash checks written by Lee's political consultant, Anne Minard, to provide back to the legislator. Minard also oversaw Lee's fundraising accounts.

"The cashed checks coincided with trips Chatfield took with Aaron Chatfield, and others, to Detroit, Miami, Las Vegas, Aspen or the Bahamas," the affidavit signed by Ferguson said, according to the News. "Rebekah Chatfield believed the money was used by (Lee) Chatfield to pay for hotel rooms, travel, prostitutes and controlled substances."

Following publication of the News article, House Minority Leader Donna Lasinski issued a statement slamming the lack of a House-led investigation into the ex-speaker's conduct.

"Just last week, we publicly outlined this culture of corruption that has taken hold — this is exactly what we were talking about," Lasinski said in a statement. "We still do not know the details of how Chatfield managed his political and government staff, taxpayer dollars, and manipulated the House of Representatives toward his political, fundraising, and criminal goals."

PAGE 3

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Training/ Overview of the Code

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<https://klec.ky.gov/Forms/Pages/Get-Blank-Forms.aspx>

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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) 564-9084

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

No. A legislator cannot receive any compensation for an appearance, speech or article, unless it's related to his or her employment outside the legislature and unrelated to his or her legislative position.

The Ethics Reporter

NOVEMBER
2022

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22 MILL CREEK PARK
FRANKFORT KY 40601 (502) 573-2863
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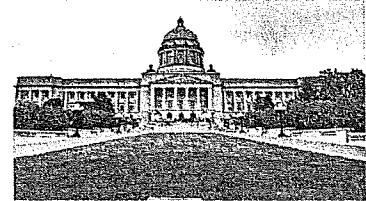
Required training for legislators and legislators-elect

Did you know?



The next filing date for employers' and legislative agents' spending disclosures is **January 17, 2023**.

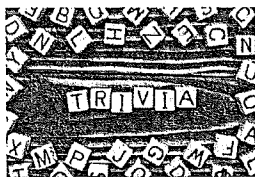
The Legislative Ethics Code requires newly elected legislators to have 2 hours of orientation training on ethics, and also requires all legislators to receive 2 hours of current issues training on ethics each year.



The new legislator ethics orientation will be held on **December 14, 2022**, in conjunction with the LRC's new legislator training.

Legislators should be sure to put these important trainings on their schedules, and bring any questions that they have about the Ethics Code.

The annual current issues training will be held on **January 4, 2023** from 9 to 11 a.m. for all legislators.



Is there a fee for registration as an employer of lobbyists?

Answer on page 4

New lobbying employers for November

Several newly registered lobbying employers are: Barnyard (The); Bullitt County; Dream Corps; ECL Entertainment LLC; Educational Testing Services (ETS); KY Center for Grieving Children and Families; KY Educational Development Corp.; Pathways, Inc.; Recreation Vehicle Dealers Assn.; TJ Samson Community Hospital; and WestPatrick Corp.

Two employers recently terminated lobbying efforts in Kentucky: AppHarvest Operations, Inc; and KY RV Coalition.

Financial disclosures for legislators and major management personnel due February 15

The Legislative Ethics Code requires that legislators, candidates and major management personnel of the Legislative Branch file financial disclosures with the Ethics Commission by February 15, 2023. The content of the disclosures is found in KRS 6.787. The filed disclosures are a matter of public record, and are posted on the Commission's website. Commission staff will send an email with the forms required to legislators and staff in January.



*“No legacy is so
rich as honesty”*

*—William
Shakespeare*

New York Times investigation shows how sports gambling industry exploited Kansas legislators

KANSAS-Kansas Reflector— by Sherman Smith—November 29, 2022

A New York Times investigation into the gambling industry's bare-knuckled lobbying efforts provides insight into concessions Kansas lawmakers provided when they legalized sports betting earlier this year.

Among the revelations from the report, published recently as part of a series on “a relentless nationwide campaign” to expand sports betting: Kansas lawmakers slashed an already generous tax rate from 20% to 10%, and exempted some bets from being taxed at all, before passing the sports gambling package after midnight in the final hours of the legislative session.

The final vote came two days after a lobbying event that promised “something for everyone.” There, The New York Times documented how Rep. John Barker, who helped orchestrate the sports gambling package, reveled in 30-year-old Irish whiskey while Sen. Jeff Pittman, a Leavenworth Democrat, secured an extra bag of pricey Honduras cigars. At the party, Pittman called it a “terrible” bill, but he voted in favor it anyway.

After the law took effect in September, Kansans wagered \$350 million in the first two months — yielding just \$271,000 in tax revenue.

Max Kautsch, president of the Kansas Coalition for Open Government, said the New York Times report “drives home the need for greater transparency in the legislative process.”

“Kansans should be disappointed to learn this holiday season that our leaders in Topeka are more interested in giving unprecedented tax breaks to the gambling industry than in meeting their fiduciary duties to be good stewards of public funds,” Kautsch said.

The sports gambling package exemplifies transparency concerns with the last-minute avalanche of bills the Legislature passes in the closing days of the session, often with unvetted policy provisions inserted under pressure from dark interests.

The Kansas Reflector previously reported on this practice, which is designed to avoid public scrutiny. “Perhaps if Rep. Barker and his allies feared that their constituents would learn about these acts against the public interest in real time,” Kautsch said, “rather than months later as the result of a nationwide investigative report that chose to kick off an article totaling thousands upon thousands of words with an anecdote about whiskey and cigars in the Kansas Statehouse, they would think twice before leaving us with lumps of coal each legislative session.”

Lobbying rules

The flyer for an April 26 lobbying event invited all 165 legislators and special guests to enjoy prime rib, seafood, desserts, wine, craft beer, fine cigars, classic cars, single malt scotch and single barrel bourbon.

Twenty-one lobbyists sponsored the event, titled “Cigars, Cars and Bars,” at M&D Classic Car Storage, a few blocks north of the Statehouse on Kansas Avenue.

A New York Times reporter and photographer found Barker with Redbreast Irish whiskey and a Don Tomas cigar from Honduras. “They keep a special bottle for me up there — they know I like it,” Barker told the Times. “I’m in my element when I have a whiskey and a cigar.”

John Federico, a powerful lobbyist who cosponsored the gathering, told the Times it was a social

event and not a lobbying event. Kansas law provides ample wiggle room for lobbyists and lawmakers — and makes it virtually impossible for journalists or the public to document the influence of such an event.

When every lawmaker is invited, lobbyists don’t need to itemize the costs on expense reports with the state ethics commission. Rules that restrict gifts to lawmakers provide exemptions for food and beverages.

And while Kansas law forbids gifts that cost more than \$40, the cost of a gift can be split evenly among co-sponsors to push it below the legal limit. A group of 10 lobbyists, for example, could provide a \$300 gift — such as an expensive bottle of whiskey — to a legislator without violating the law.

Additionally, if the cost of a lobbying expense is less than \$2 for a legislator, it doesn’t have to be reported. For an event with 165 legislators and 21 sponsors, the threshold would be \$6,930. Hitting the jackpot

The gambling industry’s fingerprints were on nearly every page of the 50-page sports gambling bill, The New York Times reported.

Barker and other legislative leaders agreed to cut in half the planned 20% tax rate — already substantially lower than the tax rate in other states. The bill also allows gambling companies to deduct “free bets” and other promotions from their taxable income.

None of the \$271,000 in taxes the state collected on the first \$350 million in bets will be used to fight gambling addiction.

Public Corruption Directly Undermines Faith In Hawaii's Government

HAWAII— *Honolulu Civil Beat*-Opinion by Robert Harris, Executive Director of Hawaii State

Protecting our island ecosystem depends upon honest leaders, who can appropriately balance the needs of our economy and environment. Corrupt leaders no longer act in the best interest of the public.

Put simply, a healthy environment depends on a governmental system run with integrity.

For that matter, most public policy issues — such as health care, improving education, or strengthening the social safety net — depend on a fair governmental system. For a democratic system to truly work, it must serve in the public's interest.

With the public corruption charges recently brought against two state legislators and several county employees, many have become disillusioned with government. Some have reasonably adopted a "vote the buggahs out" attitude or used this news as a reason to disengage from the democratic process (such as not voting in the most recent election).

This disillusionment, while disappointing, is not surprising. Elected officials and state employees are supposed to serve and act on behalf of the public-at-large. Public corruption directly undermines faith in our governmental system.

As the executive director and general counsel of the Hawaii State Ethics Commission, I was recently asked if my job was to help maintain public confidence in government. My knee-jerk response was to say, "no." I said my job was to advise state employees about ethics and, when necessary, enforce the state Ethics Code and the state lobbyists law.

The Ethics Code includes laws relating to the acceptance and reporting of gifts, confidential information, fair treatment (the prohibited misuse of official position), conflicts of interests, state contracts, and post-employment restrictions, along with financial disclo-

sure requirements.

Last year, the commission responded to 851 requests for advice from state legislators, employees, lobbyists, and members of the public. The hard-working commission members and staff additionally investigated 123 complaints and resolved 10 charges publicly.

And yet, my knee-jerk answer was wrong.

A core reason why Hawaii has an Ethics Commission is to maintain public confidence in our system of government. Ronald Reagan said that "democracy is not a fragile flower; still it needs cultivating."

Enforcement of our civil and criminal laws is a necessary step to help "cultivate" democracy and help restore public trust in our government and its officials.

To some extent, the recent news of public corruption is an example of government working properly: truly corrupt and illegal activity is being caught and publicly called out. But the severity of recent public corruption charges demonstrates more work is needed.

The Ethics Commission is actively developing several specific legislative policy changes for consideration next year in the Hawaii Legislature. While none of these concepts will magically prevent all violations in the future, they cumulatively represent solid steps toward a more transparent system that reduces the potential for unethical conduct and helps restore public confidence in our democratic system.

For example, the Ethics Commission proposes to directly prohibit nepotism: expressly eliminating the ability for state employees to hire or supervise a spouse or family member. A bright-line approach to nepotism will help address a practice that, from a public perspective, reasonably appears unethical.

Another proposal is to increase transparency around legislators' financial connections with lobbyists or businesses that hire lobbyists. Legislators are, by design, part-time employees.

Although the Ethics Code does not prohibit legislators from having outside employment, some legislators may work with, or be employed by, businesses that have a direct interest in legislation. The public has a right to know of these potential conflicts of interests, especially when a substantial amount of money is involved.

Further, when conflicts of interests exist, legislators should recuse themselves from discussing, deliberating, or voting on that issue. Many may remember a John Oliver skit blasting Hawaii legislators for finding "no conflict" in a vote over 10-cent fees for plastic checkout bags, when a legislator was a paid consultant for a plastic bag manufacturing association.

Another Ethics Commission proposal would make recusal a requirement when a financial conflict exists, or where a reasonable person would perceive a conflict.

Like all of us, I care about the future of Hawaii. I want to see great decisions by leaders who genuinely care about the public's interest first and foremost.

The Hawaii Constitution states that "public officers and employees must exhibit the highest standards of ethical conduct."

I hope you will join the Ethics Commission and me in pushing for common-sense principles that will hold the nearly 60,000 state employees and elected officials to this standard and commitment. Let's restore confidence in government together.

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

Donnita Crittenden
Executive Assistant
Donnita.Crittenden@lrc.ky.gov
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Emily Dennis
Counsel
Emily.Dennis@lrc.ky.gov
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Lori Smither
Staff Assistant
Lori.Smither@lrc.ky.gov
(502) 564-9084

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, the fee is \$250 per employer, and covers as many lobbyists as the employer needs to register. The fee has never been increased by the General Assembly since passage of the Ethics Code.

The Ethics Reporter

DECEMBER
2022

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FRANKFORT KY 40601 (502) 573-2863
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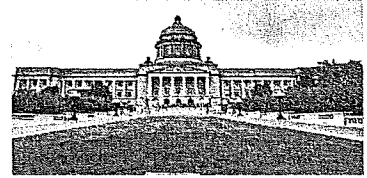
Required ethics training for all General Assembly Members on January 4, 2023

Did you know?



The next filing date for employers' and legislative agents' spending disclosures is **Tuesday, January 17, 2023.**

The Legislative Ethics Code requires all legislators to receive 2 hours of current issues training on ethics each year. This is in addition to training they've received as new legislators.



The annual current issues training will be held on **January 4, 2023** from 9 to 11 a.m. for all legislators.

For, former Assistant U.S. Attorney, will present to the legislators.

This year, the legislators will hear two distinguished speakers on the topic of public corruption. Hon. Andy Boone, Assistant United States Attorney in the Eastern District of Kentucky, and Hon. Kenneth Tay-

Commission staff will also train legislators on important provisions of the Kentucky Legislative Ethics Code.

Legislators are encouraged to bring any questions about the Code.

New and terminated lobbying employers for December



Several newly registered lobbying employers are: **Angel's Envy; Brightview, LLC; City of Frankfort, KY; D2L, Ltd.; EmsanaRx; Kentuckians Against Illegal Gambling, Inc.; Savion, LLC; and UKG.**

Four employers recently terminated lobbying efforts in Kentucky: **Interactive Education Concepts, Inc.; KY Academy of Audiology; KY Chapter of the American College of Cardiology; and Simmons College of Kentucky.**

*Can legislative agents
& employers file
their updated spend-
ing disclosures
online?*

Answer on page 4

Financial disclosures for legislators and major management personnel due February 15, 2023

The Legislative Ethics Code requires that legislators, candidates and major management personnel of the Legislative Branch file financial disclosures with the Ethics Commission by **February 15, 2023**. The content of the disclosures is found in KRS 6.787. The filed disclosures are a matter of public record, and are posted on the Commission's website. Commission staff will send an email with the forms required to legislators and staff in January. Former legislators are also required to file their disclosures upon leaving office.

Ethics and Lobbying News from the U.S.

Panel approves changes to committee that looks into harassment claims against lawmakers

NEW MEXICO - *Santa Fe New Mexican*— by Robert Nott-December 13, 2022

A panel that oversees the inner workings of the Legislature on Monday approved policy changes designed to strengthen procedures that deal with the investigation of harassment claims against lawmakers.

Though efforts to push the proposal forward had failed on a tie vote in October, members of the Legislative Council voted 9-7 on Monday to approve it without changes or new material in the policy.

The policy adds a fifth and tie-breaking member to a pair of existing interim ethics committees charged with investigating harassment claims against legislators. The fifth member would not be a member of the Legislature but an outside attorney with a background in harassment issues.

Rep. Daymon Ely, who introduced the proposed changes to the existing anti-harassment policy in Monday's Legislative Council meeting, said the addition of the new member will break any "logjam" that comes out of a 2-2 vote.

The Legislative Council is a 16-member bipartisan body co-chaired by the speaker of the House and the Senate president pro tem. The council oversees and sets procedures and policies for the Legislature.

Some on the council were not happy Ely brought back the pro-

posal — which failed on a 7-7 vote in October — for a second try.

"We had a vote last time," said Sen. Greg Baca. "On that vote, this did not pass. So is that the ongoing practice — we present the exact same bill with no changes to the bill, essentially, until we get the results we want?"

Ely, who did not seek reelection and soon will leave the Legislature, told Baca members of the public asked him to reintroduce the policy changes for another vote and said his proposal is the only one to prevent gridlock in harassment complaints.

Calls for reform to the Legislature's harassment policies and its investigations of complaints have continued in the wake of accusations by lobbyist Marianna Anaya and others against Sen. Daniel Ivey-Soto.

Anaya said Ivey-Soto groped her and displayed inappropriate behavior. Ivey-Soto has denied any wrongdoing, and an investigation followed. Though its results have not been made public, several lawmakers have since intimated the interim ethics investigatory committee stalled on a 2-2 vote on whether to move forward with a hearing.

The confidential 2-2 vote came up during Monday's hearing, with some lawmakers saying it fell along partisan lines and others

insisting it did not.

Sen. Mark Moores, said the final vote had more to do with internal caucus conflict.

He and others said efforts to add a fifth and external member to the committees smacked of partisanship.

After the hearing, Ely said efforts to paint the new policy as partisan are "nonsense."

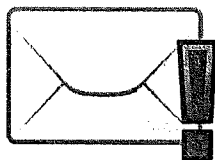
Ely said the passage of his proposal is "a start" toward initiating ethics reform and effective anti-harassment policies. He said the Legislature, when it convenes in January for a 60-day session, can do more to ensure investigations don't "get stuck" on tie votes in investigatory hearings.

"The status quo is not sustainable," he said after the hearing.

The investigation into Ivey-Soto appears to have come to a halt. Ivey-Soto told The New Mexican in September he had been told "further action on that complaint was postponed indefinitely. Senate President Pro Tem Mimi Stewart said that same month the ethics committee process had ended with no resolution.

A coalition of advocates from various organizations have put steady pressure on lawmakers to initiate measures to rid the Legislature of any inappropriate behavior toward lawmakers, lobbyists and members of the public.

"Whoever is careless with the truth in small matters cannot be trusted in important affairs"
-Albert Einstein



PAGE 2

Important note on campaign contributions!

Legislators and legislative candidates are prohibited from receiving campaign contributions from registered employers of legislative agents and permanent committees (PACs) during a regular session of the General Assembly. KRS 6.767. KRS 6.767's prohibition on employers and PAC contributions during a regular session of the General Assembly does **not** apply to legislative candidates in a special election, or, due to a 2022 change in the law, legislators seeking statewide office.

However, legislative agents (lobbyists) are prohibited from contributing to sitting legislators, including those who are running for other offices, and legislative candidates, **at any time.**

Ethics Commission's final order: Law does not require Legislature to meet in public

MISSISSIPPI— *Mississippi Today*-by Bobby Harrison —December 14, 2022

Members of the Mississippi Ethics Commission by a 5-3 vote Wednesday reiterated their belief that the state Legislature, which appropriates more than \$20 billion annually in state and federal funds, is not bound by the open meetings law.

In reaching the conclusion, the majority said the Ethics Commission, a state agency, could not rely on guidance from the Mississippi Constitution.

The constitution states in Section 58 "the doors of each house in session or in committee of the whole, shall be kept open."

Five members of the Ethics Commission said they were required by law to rule only on issues related to the state's open meetings law and the law, they claimed, does not include the Legislature as a public body.

Wednesday's meeting was the third one this month where the commission grappled with the issue. The order adopted Wednesday saying the Legislature is not a public body as defined by the open meetings law was a final order.

The issue arose from a complaint filed by the Mississippi Free Press saying House Speaker Philip Gunn was violating the open meetings law when his Caucus, which includes 75 members of the 122-member House, meets routinely behind closed doors. The constitution mandates that a majority of either the House or Senate is a quorum or enough members to conduct business.

Mississippi Today has documented, based on multiple accounts, that the House Caucus often discusses policy issues and legislation during the closed-door meetings. When other public bodies have met behind closed doors to discuss policy issues, it has been deemed to be a violation of the open meetings law by the courts.

The Free Press and Mississippi Center of Justice said Wednesday it would appeal the Ethics Commission ruling.

"Although the (state) Constitution requires the Legislature to keep its doors open when in session, the Open Meetings Act is even more comprehensive and would require that other meetings of legislators, like the Caucus, be open to the public when they constitute a quorum and are discussing public business," said Rob McDuff, a Center for Justice lawyer. "We are appealing because we believe the Ethics Commission got it wrong, but the Legislature could easily fix this by requiring itself to live up to the standards it requires of other public bodies."

Commissioner Maxwell Luter of Tylertown offered a proposal that said while the commission does not have the authority to rule on constitutional issues, it could not ignore what the state constitution said. For that reason, he said, the commission should not rule and leave it to the courts to make a final decision.

Luter said the public perception of the Ethics Commission was at stake. He said it "is very important to know we (Ethics Commission members) make just decisions."

Commissioner Ron Crowe of Brandon, the former executive director of the Ethics Commission, also opposed the finding that the Legislature is not a public body. He said the issue is "eerily" similar to an issue that arose with the state constitution's conflict of interest provision. In the 1980s the commission interpreted the provision as prohibiting certain people, such as public school teachers, from serving in the Legislature.

Instead, of making that ruling, Crowe said the commission opted to allow the Legislature to address it. Ultimately, the courts sided with the Ethics Commission.

Commissioner Robert Waites of Brandon, a former House attorney in the 1980s, also opposed the finding that the Legislature is not a public

body under the open meetings law.

The five commissioners who passed the motion saying the Legislature is not a public body are longtime Chairman Ben Stone of Gulfport, Vice Chair Sean Milner of Clinton, Stephen Burrow of Pascagoula, Erin Lane of Ridgeland and Samuel Kelly of Madison. Most of the five said they believe the Legislature should be a public body, but that the open meetings law is ambiguous on whether it applied to the Legislature. And if the law is ambiguous, then they had no choice but to rule that the Legislature is not covered.

But Milner said, "I don't believe it is ambiguous. I think the law is clear (that it does not apply to the Legislature) once we apply proper interpretation."

The law says most legislative committees are bound by open meetings requirements, but does not specifically list the Legislature among those public bodies that are included. McDuff, the Center for Justice attorney, pointed out the law says the open meetings mandate also applies "to any other policy-making entity." Since the Legislature is the state's primary "policymaking entity," the law, of course would apply to lawmakers, McDuff said.

But a majority of the commission said the phrase "policymaking entity" referred to various executive boards, not the Legislature.

Under the nation's and state's system of checks and balances, legislators, including the Mississippi Legislature, generally make laws or policy and the executive agencies carry out those policies and laws.

The Ethics Commissioner members are appointed by the governor, speaker, lieutenant governor, and chief justice of the Supreme Court.

MEMBERS OF THE
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COMMISSION

David Nicholas, Chair
Tanya Pullin, Vice Chair
Ernie Harris
Katherine Gail Russell
Arnold Simpson
Anthony M. Wilhoit

NEXT MEETING OF THE
COMMISSION

The Kentucky Legislative Ethics Commission's next regular meeting is scheduled at the Capitol Annex, Room 149, in Frankfort, Kentucky on Wednesday, January 4, 2023 at 11:00 a.m.

To watch the meeting, 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 [Kentucky Legislative Ethics Training for Lobbyists, Jan. 17, 2020 - YouTube](#)

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 [Legislative Ethics 2020 - YouTube](#)

Feel free to watch!

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Executive Director
Laura.Hendrix@lrc.ky.gov
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Executive Assistant
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KENTUCKY LEGISLATIVE
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Trivia Answer

Yes, KLEC has an online system for legislative agents and employers to file their updated spending reports electronically.

The Ethics Reporter

JANUARY 2023

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

Record spending on legislative lobbying in 2022

Did you know?



The next filing date for employers' and legislative agents' spending disclosures is **Wednesday, February 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."



May a legislator be a public school or university/community college faculty or staff member?

Answer on page 4

Kentucky lobbying spending hit an all-time high of \$25 million last year, eclipsing the previous high of \$23.1 million set in 2018. Lower spending, occasioned by the pandemic in 2020 and 2021, was \$20.9 and \$21.3 million, respectively.

In 2022, 834 lobbying businesses and organizations registered to lobby in Kentucky, and spent \$24.3 million. 665 lobbyists were paid \$23 million in compensation, and also had \$635,854 of their own expenses.

The top lobbying spender for 2022 was **Kentucky Chamber of Commerce**, which spent \$408,301, and was #1 in lobbyist compensation, paying \$371,877 for 16 lobbyists' services. The Chamber also spent the most on receptions, meals, and events for legislators and staff, at \$21,682.

The rest of the top five spenders include: **Kentucky Hospital Association** (\$304,707) which was also the #2 spender on lobbyist compensation (\$279,511); **Altria Client Services LLC** (\$269,685), #3 spender on lobbyist compensation (\$240,199); **American Civil Liberties Union of KY (ACLU)** (\$195,488), #4 spender on lobbyist compensation (\$158,706); and **Kentucky Medical Association** (\$157,416).

Others in the top 10 were: **Kentucky League of Cities** (\$151,308); **HCA Healthcare Inc.** (\$146,548), all of which was spent on its fifth-place lobbyist compensation; **Pharmaceutical Care Management Assn. (PCMA)** (\$142,256); **Kentucky Retail Federation, Inc.** (\$142,237); and **Pace-O-Matic of Kentucky** (\$136,415).

The rest of the top 20 spenders are: **Kentucky Distillers' Assn.** (\$135,624); **Health Care Distribution Alliance** (\$128,578); **Academic Partnerships, LLC** (\$127,500); **LG&E and KU Energy LLC** (\$121,668); **Greater Louisville, Inc.** (\$117,512); **Elevance Health and Affiliates DBA Anthem, Inc.** (\$115,971); **Life-Point Health** (\$110,002); **AT&T** (\$109,618); **Houchens Industries** (\$107,769); and **KY Petroleum Marketers Association** (\$106,161).

Lobbying organizations spent \$316,260 on receptions, meals, and events for legislators and staff in 2022, and the rest of the top 5 in this category are: **Northern Kentucky Chamber** (\$17,016); **Cincinnati/Northern Kentucky International Airport** (\$12,900); **Kentucky Equine Education Alliance (KEEP)** (\$12,242); and **Kentucky Association of Counties** (\$9,713).

Advertising which appears during a legislative session supporting or opposing legislation is required to be reported by registered entities, and \$330,594 was spent in this category in 2022. The top 5 spenders are: **Pharmaceutical Care Management Assn. (PCMA)** (\$52,633); **Kentucky Retired Teachers Association** (\$45,004); **Secure Democracy** (\$40,814); **Kentucky Petroleum Marketers Association** (\$32,342); and **Kentucky Center for Economic Policy** (\$23,062).

Financial disclosures for legislators and major management personnel due February 15, 2023

The Legislative Ethics Code requires that legislators, candidates and major management personnel of the Legislative Branch file financial disclosures with the Ethics Commission by **February 15, 2023**. The content of the disclosures is found in KRS 6.787. The filed disclosures are a matter of public record, and are posted on the Commission's website.

Commission staff sent an email with the forms required to legislators and staff in January. Former legislators are also required to file their disclosures upon leaving office.

Ethics and Lobbying News from the U.S.

Lobbying gold rush may persist despite divided Congress

DC-*The Hill*— by Karl Evers-Hillstrom-Jan. 23, 2023

Lobbying giants expect a historic earnings boom to continue, even as a divided Congress threatens to slow legislation to a crawl.

The top Washington, D.C. lobbying firms on Friday reported massive earnings for the final three months of 2022, capping off a record-breaking year for K Street.

The strong fourth-quarter performance, which defied election season norms, boosted hopes that corporations will continue to spend big on D.C. lobbyists in the new year. Lobbyists said that clients are particularly interested in must-pass spending bills, the tenuous debt ceiling battle and investigations that will implicate major companies.

“People making the assumption nothing is going to happen over the next two years might be making a mistake,” said former Speaker John Boehner a senior adviser at Squire Patton Boggs, pointing to investigations and proposals impacting the energy and tech

industries.

Gridlock is bad for business. Lobbying spending hit record levels in recent years amid bipartisan bills to combat COVID-19 and control of D.C., which introduced trillions of dollars in new government spending.

Demand for lobbyists typically plummets when legislation stalls, but K Street is eyeing a host of bipartisan legislation.

“Contrary to predictions of partisan doom and gloom, we expect significant activity around the debt limit, cryptocurrency, the farm bill, FAA and Defense reauthorizations, expiring TCJA [Tax Cuts and Jobs Act] tax provisions, and issues regarding China,” said Brian Pomper, a partner at Akin Gump Strauss Hauer & Feld and former Senate aide.

Lobbying firms expect the spending boom to continue through the early part of the year, when clients aim to introduce themselves to new lawmakers and

committee chairs and help them navigate an unpredictable Congress.

“Right now, the focus is on: Who do we need to know? Who do we need to meet? How do we need to position ourselves going forward on some of these issues?” said Nadeam Elshami, co-chair of government relations at Brownstein Hyatt Farber Schreck and former chief of staff to former Speaker Nancy Pelosi.

In many cases, lobbying efforts have already moved beyond Congress.

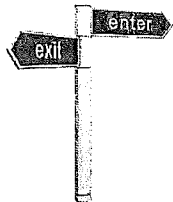
Major bills from last Congress like the Inflation Reduction Act and the CHIPS and Science Act are the gift that keeps on giving for K Street. Corporate clients that lobbied the bills when they were being drafted are now lobbying agencies that write the new rules and dole out lucrative contracts.

“Through our scientific and technological genius we've made of this world a neighborhood. And now through our moral and ethical commitment we must make of it a brotherhood. We must all learn to live together as brothers—or we will all perish together as fools.”
-Dr. Martin Luther King, Jr.

New and terminated lobbying employers

Several newly registered lobbying employers are: ADF Action; After Innocence; Allegis, Redwood, Maxim, Public Affairs, LLC; American Advertising Federation-Louisville; Benchmark Family Services, Inc.; CEOc; Champ Realty; Cincinnati Children’s Hospital Medical Center; CMCH Paducah, LLC; Community Based Coordination Solutions, LLC; Fortinet; Geographic Solutions Inc.; Human Rights Campaign; Inseparable Action, Inc.; KY Assn. of Independent Recovery Organizations(KAIROS); KY High School Athletics Assn.; KY Merchants and Amusement Coalition, Inc.; KY Unitarian Universalist Justice Action Network; Leukemia & Lymphoma Society (LLS); Logan Aluminum, Inc; The Louisville Numismatic Exchange, Inc.; National Insurance Crime Bureau; Owl's Head Alloys, Inc.; Target Corporation; Textile Rental Services Assn (TRSA); Trans-Care Ambulance; and Wheeler Emergency Management Consulting, LLC.

These employers recently terminated lobbying efforts in Kentucky: American Industrial Hygiene Assn.; American Staffing Assn.; Appriss Insights; Avail; Coalition for Genetic Data Protection; Diamond Game Enterprises; DIRECTV, LLC; EdChoice, Inc.; Ellis Park Racing and Gaming; KY Billboard Coalition; KY Committee to End Executions; KY Conservation Officers Association; KY Fire Fighters Association; KY Habitat for Humanity, Inc.; KY LECET; Louisville Project Management, LLC; Masonic Homes of Kentucky; Nantero; National Heritage Academies; New Towne Consultants (NTC); Pegasus Institute; Transit Authority of River City; Underwriters Safety & Claims, Inc.; U.S. Chamber of Commerce; and Wiley Edu, LLC.



New Kentucky sales tax on lobbying services does not change the legislative ethics reporting requirements, per Commission informal staff opinion.

Questions have been raised to Kentucky Legislative Ethics Commission (KLEC) staff about the reporting of Kentucky sales and use tax on lobbying services, on required disclosures under the Code of Legislative Ethics, KRS Chapter 6.601 to 6.849, and whether the 2022 change in the sales and use tax law resulted in amending the Code's reporting requirements for amounts reported by legislative agents or employers to KLEC.

The interpretation, calculation, and enforcement of sales tax on "lobbying services" and the reporting of taxes, as defined by the Kentucky Revenue Department (Revenue) under KRS Chapter 139, is a matter reserved to Revenue. Adoption of the new tax on "lobbying services" in KRS 139.200 did **not** change, reduce, or expand the requirements for registration or change reporting of compensation, expenses, or expenditures under the Ethics Code to KLEC.

Employers and legislative agents should continue to report compensation and expenses to KLEC as required as they have in the past, under the specific requirements of the Ethics Code.

It is possible that the compensation amount reportable to Revenue will differ from the

amount reported to KLEC, as Revenue has adopted a definition of "lobbying services" that is different from that in the Ethics Code. See <https://taxanswers.ky.gov/Sales-and-Excise-Taxes/Pages/Lobbying-Services.aspx>

Compensation paid to legislative agents, as reported by employers to KLEC, should be reported in the same manner as has previously been reported prior to imposition of the sales tax, meaning that compensation for purposes of ethics reporting includes payments made to a legislative agent for services integral to the lobbying effort, including professional services in drafting bills or resolutions, preparing arguments on these bills or resolutions, or in advising clients and rendering opinions as to the construction and the effect of proposed or pending legislation. See KRS 6.611 (27)(b)5. and KRS 6.821(4)(a) 4.

Similarly, legislative agents and employers should continue to report expenses and expenditures to KLEC as required by the Code. In OLEC 94-5, the Commission stated that, for purposes of the Legislative Ethics Code, "it is necessary to report all expenses and expenditures involved in planning, developing, coordinating, or implementing the [legislative] agenda." KRS 6.821 requires

legislative agents and their employers to report expenses and expenditures "directly related" to lobbying activities during a reporting period, and lists specific requirements for reporting by legislative agents and employers.

As there is no provision in the Ethics Code requiring disclosure of confidential tax information as reported to Revenue, KLEC will **not** require reporting of sales tax paid for "lobbying services" as defined by Revenue.

All questions regarding the Revenue Cabinet's interpretation of the definition of "lobbying services" for tax purposes should be addressed to the Kentucky Department of Revenue, Division of Sales and Use Tax, phone (502) 564-5170, fax (502) 564-2041. See <https://revenue.ky.gov/Business/Sales-Use-Tax/Pages/default.aspx> and <https://taxanswers.ky.gov/Sales-and-Excise-Taxes/Pages/Lobbying-Services.aspx> for details.

This informal advisory opinion by the staff of the Legislative Ethics Commission has not been approved by a majority vote of the Commission, and is not binding on the Commission in any subsequent proceeding.

MEMBERS OF THE
LEGISLATIVE ETHICS
COMMISSION

David Nicholas, Chair
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COMMISSION

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[KY LRC Meetings - YouTube](#)

Training/Overview of the Code

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We also are happy to set up a training on request!

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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>

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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, although a legislator cannot work for the executive branch or a special purpose entity that has the power to tax or set rates, he or she may serve on the faculty/staff of a state university, community college or public school.

The Ethics Reporter

FEBRUARY 2023

KENTUCKY LEGISLATIVE ETHICS COMMISSION
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January 2023 brings record lobbying spending

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If an unpaid volunteer speaks with legislators about legislation, must they register as a lobbyist?

Answer on page 4

Kentucky lobbying spending for January, 2023 hit an all-time high of \$2.66 million for any January, including those in longer even-year sessions. The previous record for the month of January was \$2.62 million in 2020.

Also, a record breaking 850 lobbying businesses and organizations registered to lobby in Kentucky, spending \$2.595 million. 695 lobbyists were paid \$2.2 million in compensation, and also reported \$69,542 of their own expenses.

The top lobbying spender for the month was **Kentuckians Against Illegal Gambling**, which spent \$174,500. All but \$500 of this total was spent by the organization on statewide television and digital advertising against "gray machine" potential gambling legislation.

The second highest spender, **Kentucky Merchants and Amusement Coalition, Inc.**, paid \$146,275, the entire amount of its lobbying expenditures, on advertising in favor of "skill games", including \$5,295 in direct mailings to operators and locations, \$51,580 for television ads in Louisville and Lexington, and \$89,400 on radio ads in the same market.

January's advertising spending by just these 2 groups nearly matched the overall advertising spending for all employers for the entire year of 2022, which was \$330,594.

In 2014, the Kentucky General Assembly amended the Legislative Ethics Code to require

disclosure of the cost of advertising supporting or opposing legislation paid for by lobbying organizations which appears during a legislative session. This lets the public know how much was spent by registered lobbying entities to influence legislative and public opinion regarding legislation.

The rest of the top 10 spenders were: **Kentucky Chamber of Commerce** (\$41,774); **American Civil Liberties Union of KY (ACLU)** (\$29,432); and **Kentucky Medical Association** (\$29,397); **Pace-O-Matic of Kentucky** (\$26,500); **Greater Louisville, Inc.** (\$25,000); **Altria Client Services LLC** (\$23,342); **Kentucky Hospital Association** (\$19,744); and **Elevance Health and Affiliates DBA Anthem, Inc.** (\$16,500).

Rounding out the top 20 are: **Kentucky Retail Federation, Inc.** (\$14,130); **Kentucky Bankers Association** (\$13,945); **Keeneland Association** (\$13,705); **Kentucky Distillers' Association** (\$13,297); **LG&E and KU Energy LLC** (\$12,985); **Academic Partnerships, LLC** (\$12,800); **Kentucky Primary Care Association** (\$12,743); **Kentucky Association of Counties** (\$12,246); **HCA Healthcare, Inc.** (\$12,200); and **Kentucky Telecom Association** (\$10,286).

New and terminated lobbying employers

Several newly registered lobbying employers are: **Alliance for American Manufacturing**; **American Assn. of International Healthcare Recruitment**; **Association of American Publishers, Inc.**; **Asurion LLC**; **Bellewood & Brooklawn**; **Breeders' Cup Ltd.**; **CareSource Mission**; **Carewise Health Holdings**; **Codell Construction**; **Consumer Reports, Inc.**; **DoorDash, Inc.**; **Dow Chemical**; **Grant Ready KY**; **Heritage Bank**; **Insights Assn.**; **Kentucky Rural Health Assn., Inc.**; **Muhlenberg Alliance for Progress**; **National Assn. of Public Insurance Adjusters**; **National Association of Social Workers Kentucky Chapter (NASW-KY)**; **Opticians Assn. of KY**; and **USA Cares**.

Employers terminating registration include: **Baptist Life Communities**; **Core Scientific**; **Hinkle Contracting, LLC**; **Justice Action Network**; **Self Storage Assn.**; **Wireless Infrastructure Assn.**; and **Zillow**.

Norfolk Southern plied Ohio politicians with campaign cash, extensive lobbying. OHIO— WYSX ABC 6 Columbus — by Darrel Rowland —Feb. 20, 2023

Almost exactly a month before a Norfolk Southern train derailed and spewed hazardous materials in eastern Ohio, the company gave the maximum \$10,000 to help bankroll Gov. Mike DeWine's inaugural festivities. A 6 On Your Side examination of state records shows this contribution, which is part of \$29,000 the Virginia-based corporation has contributed to DeWine's political funds since he first ran for governor in 2018, is merely one piece of an extensive, ongoing effort to influence statewide officials and Ohio lawmakers.

In all, the railway company has contributed about \$98,000 during the past six years to Ohio statewide and legislative candidates, according to data from the secretary of state. Norfolk Southern hedged its support for DeWine in 2018 with a \$3,000 check to gubernatorial candidate Richard Cordray. In addition, the company filed more than 200 state-required quarterly reports disclosing lobbying of state officials or legislators in the same period. Most of the disclosed attempts to influence Ohio leaders came on generic rail or transportation issues. Some efforts, however, were devoted to defeating legislation that would have established tougher safety standards for rail yards and train operations.

Getting special attention from Norfolk Southern was a bipartisan measure introduced in two consecutive legislative sessions which would have required a minimum of two-person crews on freight trains — pushed by advocates as a safety measure.

While the size of the crew has not publicly emerged as a factor in the derailment, the ardent opposition of Norfolk Southern to that provision and other proposed rail safety measures underscores the company's strong efforts to avoid additional regulation.

In early 2021, lobbyists made their case to the office of Ohio Attorney General Dave Yost against the two-person crew mandate. The bill would

have required the attorney general, at the request of the Public Utilities Commission, to bring a civil action against railroads that violated the law. There was no indication Yost did anything, and he is now threatening to sue the railroad over the East Palestine derailment.

In the end, however, the lobbying effort was a success. While neither measure passed, the later version got five hearings in 2021. Co-sponsor Brett Hillyer of Uhrichsville had said at the time that the bill contained "railroad safety measures that are long overdue and critical not only for industry safety, but for the communities impacted by the railroads."

"Railroads are a very important part of commerce, but if you start thinking about what's carried in a rail car, what kind of havoc that could wreak on your districts and your communities," Hillyer said, "I think it is a common-sense solution to require a two-man train crew."

Co-sponsor Michael Sheehy of suburban Toledo, who spent 40 years in the rail industry, said the proposal would provide needed rules to protect Ohioans and assure safety for both the public and railroad worker alike. He left office at the end of 2022.

But Randy Noe, assistant vice president of regulatory affairs for Norfolk Southern, told the House committee that Federal Railroad Administration data "does not establish that one-person operations are less safe than multi-person train crews." Besides, he added, Ohio lawmakers have no right to take up safety issues preempted by federal law.

Both CSX and the Ohio Chamber of Commerce joined Norfolk Southern in opposing the minimum-crew mandate. "Ohio's business climate would be negatively impacted by legislation such as HB 186 because the added regulations would increase the cost of doing business in the Buckeye State and would interfere with the employment relationship between employers and their em-

ployees," Kevin Shimp, the chamber's director of labor and legal affairs said.

A spokesman for Gov. DeWine says campaign contributions have no effect on his decisions. The governor indicated last week the state likely would sue if Norfolk Southern does not uphold its commitment to pay for damages and the clean-up effort.

The company also disclosed on its website that it spent \$4.36 million on lobbying nationwide in 2021.

Lawmakers are now scrambling to make sure the railroad is held accountable. In Washington, Senate Commerce Committee Chairman Maria Cantwell is seeking detailed information about Norfolk Southern. Railroad safety was the centerpiece of a letter Thursday from U.S. Sens. Sherrrod Brown and J.D. Vance of Ohio, plus both of Pennsylvania's senators, to Jennifer L. Homendy, chair of the National Transportation Safety Board.

The bipartisan quartet wanted to know how to reclassify trains "that are clearly dangerous, like those which derailed in East Palestine," into a higher federal category so that notice goes to states through which they travel.

Union members, who vocally supported past legislative attempts to increase rail safety, are especially outspoken after the derailment.

The nonprofit ProgressOhio, pointing to Norfolk Southern's extensive record of trying to influence state decision-makers, drew a parallel between those completely legal efforts and the illegal activities testified about in an ongoing federal corruption case:

"As the trial of former Ohio House Speaker Larry Householder and FirstEnergy has shown us," the organization said in a statement, "corporate giving to campaigns occasionally comes with a clear expectation of favorable policy outcomes. And in Ohio, Norfolk Southern got what it wanted."

"The spirit of liberty is the spirit which is not too sure that it is right; the spirit of liberty is the spirit which seeks to understand the mind of other men and women; the spirit of liberty is the spirit which weighs their interests alongside its own without bias."

-Judge Learned Hand

New landlord for Michigan lawmakers surfaces, raising questions about secret deals*MICHIGAN— Detroit News— by Craig Mauger—February 17, 2023*

A Michigan lobbyist has rented a home across the street from the state Capitol to six lawmakers, according to redacted disclosures, weeks after The Detroit News revealed a special interest group quietly rented to former House Speaker Lee Chatfield. In less than 3 months, two separate rental deals involving lobbyists and seven lawmakers have been uncovered in Lansing, raising questions about compliance with state lobbying requirements and the possibility of other deals between attorneys and politicians.

Chris Thomas, who has been Michigan's director of elections for 36 years, said disclosing the agreements is meant to avoid conflicts of interest and help the public understand whether lawmakers are receiving special benefits that could qualify as illegal gifts. "If you don't report, you don't know any of this," Thomas said of the disclosure policy.

Michigan's lobbying law, which dates back to the 1970s, is under new scrutiny amid two criminal investigations involving former officials and lobbyists: one against Chatfield, and the other against Rick Johnson, a lobbyist and former chairman of the marijuana Licensing Board.

In 2015, non-profit Center for Public Integrity ranked Michigan 50th out of 50 states for systems to prevent corruption. On lobbying disclosure, Michigan was ranked 43rd.

Last month, Scott Everett, a lobbyist with Fraser Consulting, who represents a small group of clients, filed an amended report for 2021 and 2022, showing that six lawmakers rented rooms in his downtown Lansing home.

On Friday, the Michigan Bureau of Elections sent Everett four letters about his amended reports and asked Everett for more information about his dealings with lawmakers. The bureau wanted Everett to detail whether the rent payments were made monthly or in one lump sum, as his redacted reports indicated.

In December, The News revealed that Chatfield had been leasing an apartment in Lansing for 6 years from the Michigan Automobile Dealers Association through a business entity affiliated with the association. The time period spans 2 years when Chatfield was Speaker of the House in

2019 and 2020 and had the ability to set the House's agenda. In December 2020, the House approved a proposal sponsored by auto dealers that would have sought to prevent some electric vehicle manufacturers, such as Rivian and Lucid, from bypassing the dealer network and selling vehicles directly to customers.

Terry Burns, executive vice president of the Automobile Dealers Association, said Chatfield paid fair market rent and the deal should not be reported because it is through a business entity affiliated with the association, Walnut Tree Properties, and not the association itself. Burns is listed in state business filings as the resident agent for Treehouse Properties, which used the same address as the auto dealer association. Car dealers have not changed their disclosures to reflect lease transactions. Burns did not respond to a request for comment about the Everett documents.

Everett confirmed that he recently amended his previous disclosure to disclose his lease deals with six legislators in 2021 and 2022. Like the Auto Dealers Association, Everett leased through a commercial entity, Capitol LLC House. Everett said he and the company's lawyers reviewed the law and determined they had to change their previous reports to reflect the lease agreements.

His amended statements showed that Reps. Timothy Besson, Ken Borton, Brad Puckett, John Roth, Kurt VanderWall, and Sen. John Demouse have rented space in the home for 2 years. Borton paid \$450 a month for his rent, which amounted to \$5,400 a year.

Some experts argue that Michigan's lobbying law requires lobbyists to disclose rental agreements, even if the individual's monthly payments are less than the \$1,450 reporting threshold. This is because the law broadly describes a reporting transaction as any "transfer or exchange of money, goods, other property, or services for value."

Many legislators who live within driving distance of Lansing rent apartments in the city to use during the weeks when the legislature is in session. Puckett said there are few places for rent near the

Capitol, and he didn't know what Everett's capacity was when he started renting a room in the house. Puckett added that he disclosed payments to Capitol LLC for "Lansing Housing Rentals" in his campaign committee reports.

Puckett's report showed \$2,700 in election committee expenses for rent in 2021. Everett documents show Puckett paid \$8,200 in rent from January 2021 to July 2022. Puckett has previously called for ethics reform in Michigan government, saying it's possible other lawmakers will have to deal with the issue. "I've lived in the gray areas of Lansing and I want to make sure that I can make the necessary effort to make things healthier," he said.

In Michigan, lobbyist disclosure is governed by the Secretary of State's office. State law allows late fees to be assessed from \$10 to \$1000. Jake Rollo, a spokesman for Secretary of State Jocelyn Benson, said the office is reviewing Everett's amended disclosure.

As for Chatfield's relationship with car dealers, that may be the subject of further investigation. "The Bureau of Elections is reviewing potential campaign finance violations by the former president and will share information with attorney general investigators upon request," Rollo said. "Due to the ongoing investigation, we will not be commenting."

Beginning in January 2022, Attorney General Dana Nessel's office will investigate Chatfield's actions. Court records obtained by The News in October showed that state investigators are looking into Chatfield's allegations of a "criminal enterprise" that may have involved embezzlement, bribery, campaign finance violations and controlled substances. Chatfield has denied wrongdoing.

Meanwhile, federal authorities are investigating Johnson, a lobbyist and former speaker of the House. The News reported on February 1 that FBI agents and a federal grand jury are investigating whether Johnson and others received bribes in exchange for state licenses to operate medical marijuana facilities. The investigation led to calls for lobbying reform.

Thomas, a former state elections director, said Michigan's current lobbying law was "cobbled together" in the 1970s. The law is widely seen as difficult to enforce, vague and full of loopholes that allow connections between lobbyists and lawmakers to remain hidden.

"This is an example of how not to draft a bill," Thomas said.

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Legislators' Financial Disclosures

Kentucky legislators' required financial disclosures are now 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.

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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

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22 Mill Creek Park
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Phone: 502-573-2863
Fax: 502-573-2929
Website: klec.ky.gov

Trivia Answer

No. A person who is not compensated for lobbying does not have to register as a legislative agent in Kentucky.

The Ethics Reporter

MARCH 2023

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May a legislator take food or drink from lobbyists or their employers?

Answer on page 4

In the wake of record lobbying spending for the month of January, lobbying interests spent a record \$5.987 million for the first two months of the year, eclipsing the previous record of \$5.6 million set in 2018.

A record-breaking 862 lobbying businesses and organizations registered to lobby in Kentucky, spending \$5.83 million. 694 lobbyists were paid \$4.84 million in compensation, and also reported \$156,266 in expenses.

The top two overall spenders switched places from last month. **Kentucky Merchants and Amusement Coalition, Inc.** spent \$315,425, the majority, \$309,672, on advertising against legislation regulating "gray machines". This was the highest amount spent on advertising in the first two months of the session.

The second highest overall spender, **Kentuckians Against Illegal Gambling**, paid all but \$1,000 of the entire amount of its lobbying expenditures, \$287,623, on advertising opposing "gray machines", garnering the second highest ad spending.

The third highest spender was **KY Chamber of Commerce** (\$96,854). The Chamber also posted the highest amount spent on lobbyists' compensation, \$89,253. Next was the **American Civil Liberties Union of KY (ACLU)** (\$75,743), which spent the second highest amount on lobbyist compensation, at \$61,326. Fifth place spender **Pace-O-Matic of KY** (\$59,150) also was the third highest spender on lobbyist compensation, at \$55,100.

The rest of the top 10 were: **Kentucky Hospital Association** (\$55,059) also fifth in lobbyist compensation (\$49,191); **Kentucky Medical Association** (\$51,213) also third in advertising spending; **Greater Louisville, Inc.** (\$50,334) also fourth in lobbyist compensation; **Altria Client Services LLC** (\$48,421); and **LG&E and KU Energy LLC** (\$41,124).

The remaining top 20 are: **KY League of Cities** (\$34,919); **Elevance Health and Affiliates DBA Anthem, Inc.** (\$34,568); **KY Retail Federation, Inc.** (\$32,160); **Keeneland Association** (\$28,155); **KY Bankers Association** (\$27,890); **KY Distillers' Association** (\$26,594); **KY Power Company** (\$26,538); **KY Association of Electric Cooperatives** (\$26,134); **Academic Partnerships, LLC** (\$25,600); and **KY Association of Counties** (\$25,112).

Duke Energy and KY Retired Teachers Association came in fourth and fifth in advertising spending.

Lobbying interests spent \$135,227 on receptions, meals and events for legislators and legislative staff.

The **KY Chamber of Commerce's** annual Chamber Day Dinner held at the Central Bank Center in Lexington, Kentucky on February 9, 2023, was the most expensive event to which legislators were invited, costing \$18,379. This cost was borne by the **KY Chamber** and other lobbying employers, **Association of Independent KY Colleges & Universities**, **AT&T**, **Biotactical Solutions**, **Cincinnati/Northern KY International Airport**, and lobbyists **Katelyn Bunning**, **Karen Kelly**, and **Ethan Witt**.

The second most expensive event was a reception on February 16, for legislators and legislative staff, paid for by the **KY Coal Association**, **KY Oil & Gas Association**, **Marathon Petroleum**, and **TC Energy**, at the Foundry on Broadway in Frankfort, which cost \$14,166.

A "Welcome Back to Frankfort" reception for legislators and staff held by **Top Shelf Lobby & Government Strategies** in their offices cost \$10,728, and was paid for by **Associated Builders & Contractors Indiana/KY**, **Cincinnati Bell**, **Comcast Cable Communications Management**, **KY Assn. of Master Contractors**, **KY Beer Wholesalers**, **KY Manufactured Housing Institute**, **Saint Elizabeth Healthcare**, and **U.S. Precedent**, as well as lobbyists **Bart Baldwin**, **Rachel Bayens**, **Rusty Cress**, **Mike Helton**, **Dustin Miller**, **Kevin Payton**, **Jena Scott**, **Michael Shea**, **Leigh Thacker**, and **Marc Wilson**.

The **KY State Police Professional Association (KSPPA)**, held a series of four Friday morning breakfast events for legislators in January and February, in the Capitol Annex cafeteria, totaling \$8,380.

Kentucky Merchants and Amusement Coalition, Inc. together with **Pace-O-Matic** spent a fifth-place \$8,100 on a luncheon event for legislators and staff held in the Capitol Annex on February 16, 2023.

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 and the searchable database is available at apps.klec.ky.gov/searchregister.asp

What's next in Ohio corruption probe after guilty verdicts?

OHIO— Associated Press — by Julie Carr Smyth—March 14, 2023

The largest corruption case in Ohio history culminated last week with guilty verdicts for ex-House Speaker Larry Householder and lobbyist Matt Borges, the former head of the Republican Party. But the state's attorney general said it's "only the beginning of accountability" for the now-tainted \$1 billion bailout of two aging nuclear power plants.

Householder, 63, and Borges, 50, could spend up to 20 years in prison for their racketeering conspiracy convictions. The jury agreed with prosecutors that Householder orchestrated a \$60 million bribery scheme, secretly funded by Akron-based FirstEnergy Corp., to secure his power, elect his allies and pass the bailout bill — and that Borges took part in a dirty-tricks campaign to protect the bailout law from referendum.

The investigation remains open, and additional lawsuits and regulatory actions remain unresolved. Here's a look at where things stand:

COULD THE SENTENCES BE APPEALED? It's likely. Householder and Borges are out on bond. They have until next Thursday to file any motions, including for a new trial. They'll be sentenced once those motions are resolved and the probation office's pre-sentence investigation is complete, which could take weeks. They will then have 14 days to appeal their sentence to the U.S. Court of Appeals for the Sixth Circuit, the U.S. Attorney's Office said

These were the last of the parties arrested in July 2020. Political strategist Jeffrey Longstreth, who worked on Householder's election campaign, and lobbyist Juan Cespedes pleaded guilty and testified in the seven-week trial. The government will likely recommend reduced sentences for them.

Generation Now, a "dark money" group that was used to funnel FirstEnergy's millions to Longstreth, Householder and others, also pleaded

guilty for its role. A fifth individual charged, longtime Statehouse lobbyist Neil Clark, died by suicide in March 2021.

WHO ELSE MIGHT BE CHARGED?

As the government's investigation continues, a number of other names have surfaced. In a deal to avoid prosecution, FirstEnergy admitted paying a \$4.3 million bribe for favorable treatment to Sam Randazzo, the state's former top utility regulator, who had ties to the company. Randazzo resigned a day after the FBI searched his home. Randazzo has denied wrongdoing and hasn't been charged.

There also have been no charges against the FirstEnergy executives fired after Householder and others were arrested. Those executives include former CEO Chuck Jones and former Vice President for External Affairs Michael Dowling, whose texts, emails and travel itineraries factored heavily into the case against Householder.

Prosecutors say the executives met with Householder to hatch the scheme over a fancy dinner in Washington — which Householder refuted on the stand. Jones says neither he nor any other FirstEnergy employee engaged in "unlawful activities in their dealings with government officials," speaking through a New York-based public relations firm.

Individuals with ties to Republican Gov. Mike DeWine have also come up through investigations or lawsuits. Lt. Gov. Jon Husted was considered an ally by the FirstEnergy executives in their fight for the bailout bill.

Dan McCarthy was a former FirstEnergy lobbyist and Husted confidante who formed another dark money group involved, then worked as a lobbyist on the governor's behalf.

Mike Dawson was a onetime consultant to FirstEnergy. His wife Laurel Dawson was the governor's chief of staff, and she helped vet Randazzo

for the utility regulator chairmanship and approved sending a state plane to pick up lawmakers for the bailout vote. The flight ultimately never happened.

The governor's office says all its employees' actions were above board — and notes that no staff have been questioned.

WHAT'S HAPPENING IN THE OTHER LAWSUITS?

Republican Ohio Attorney General Dave Yost asked a Franklin County judge last week to lift the stay on discovery in the state's separate civil racketeering case. That would let him continue collecting documents and deposing witnesses, which he said could "reveal an expanded number of defendants."

WHAT STATEHOUSE SOLUTIONS ARE PROPOSED?

Legislation containing the bailout gave FirstEnergy a guaranteed-profit subsidy, but that was nixed by a settlement agreement last year. The nuclear bailout provisions of the bill also were repealed. Some lawmakers are fighting to repeal other energy subsidies included in the sweeping measure, which ratepayers are still paying for.

Different groups of House Republicans and Democrats introduced anticorruption legislation this session. They say the proposed laws could address gaps in campaign finance law highlighted by the case — gaps that allow uncontrolled raising and spending of money through dark money groups.

Others are calling for more transparency under Ohio's lobbying laws, which required few to no details be made public about the plane trips, wining and dining, sports tickets and other perks Householder testified to receiving. Those bills' prospects are unclear.

"Honor your commitments with integrity"
—Les Brown

PAGE 2

Revolving door at Minnesota Capitol creates windstorm

MINNESOTA—*Minnesota Reformer*—by Michelle Griffith—March 15, 2023

A bevy of former lawmakers roaming the Capitol this session aren't just catching up with old friends — now they're lobbyists trying to influence former colleagues on behalf of Google, Delta Airlines, Apple and big tobacco and mining companies.

Legislators becoming lobbyists isn't a new phenomenon, but heavy turnover at the state Capitol has clients turning to legislators-turned-lobbyists who are still plugged into the game.

Sen. Matt Klein said ex-legislator lobbyists who recently left office have an advantage in information and relationships — and questioned the propriety of the arrangement.

"The people of Minnesota place a certain amount of trust in you to be acting on their behalf, and now very shortly after leaving the Legislature — still armed with that body of information and relationships that you have — you're acting for financial gain and on behalf of some client," Klein said. "I think there's some ethical concerns there."

As the executive director of Common Cause in 1999, David Schultz testified in favor of a "revolving door" bill that would force former legislators to take a break before engaging in lobbying. Otherwise, former legislators will "cash in on friendships and knowledge and relationships that they have with legislators to give their clients special advantage or special access to the legislative process or to leaders," said Schultz, who is a political science pro-

fessor at Hamline University.

And that special access for clients who can afford to hire a former lawmaker could mean less access for average Minnesotans.

Minnesota remains one of a few states without a statewide revolving door policy. These laws prohibit former lawmakers or state officials from becoming lobbyists for a certain time period — often one year — after leaving office.

At the federal level, U.S. House members must wait one year after leaving office before registering as lobbyists, and U.S. Senators cannot lobby their former colleagues for two years.

For years, Sen. John Marty has introduced legislation to enact a policy for Minnesota lawmakers and state commissioners — to no avail.

Marty is trying again this session, and on Monday he introduced a bill (SF 2864) that would prohibit legislators, constitutional officers and state agency heads from lobbying for seven years after leaving their position. He argued it's appropriate and better for public perception of the lawmaking process.

Minnesota has two thresholds that require a person to register as a lobbyist. First, if a person is paid over \$3,000 in a calendar year to represent corporations or groups, then they must register. The second requires a person to register if they spend over \$250 of their person-

al funds in a calendar year for lobbying purposes.

In addition, legislators cannot lobby while they are in office.

The revolving door between public interest and private gain can trigger questions about a lawmaker's motive even when they're in office, said Schultz, the Hamline University professor.

"How do you know a legislator is making decisions based upon, 'This is good legislation' versus 'This gets me a job with 'X' hospital chain,'" Schultz said.

The Minnesota House does have a provision stating former members cannot register as lobbyists within one year of leaving office. However, Minnesota Campaign Finance and Public Disclosure Board Executive Director Jeff Sigurdson noted that House rules apply to current members only, so it's unclear how that rule is enforced for someone out of office. The Senate has no such rule.

Even though the Legislature came half way to passing revolving door legislation nearly a quarter century ago, Schultz isn't optimistic about one passing this year.

"I wouldn't be surprised if a few legislators are thinking, 'Well heck, I'm getting paid \$48,000 a year. (If I) do this a couple of terms, I can turn around and get a job as a lobbyist being paid two or three times this. Why should I cut my own future income off or potential job opportunities off?'"

New and terminated lobbying employers

Several organizations recently registered to lobby legislators in Kentucky: Air-Conditioning, Heating, and Refrigeration Institute; American Assn. of Public Insurance Adjusters; Cedar Lake; Club for Growth; Eagle View Technologies; FanDuel; FBG Enterprises OPCO; Flock Safety; Koppers; McDonald's Corporation; Milburn Group; Nuclear Energy Institute; Petland; SidePrize; Sound Money Defense League; Teachers Insurance & Annuity Assn. (TIAA); Underdog Sports; Wendell Foster; and Wonderschool.

Organizations recently terminating their lobbying registration are: Association of Equipment Manufacturers (AEM); Bi-tactical Solutions; CorneaGen; CT Pharmaceutical; Genesis Health Technologies; Lexington Legends; One Forty One Well Co.; Students for Life Action; Sunovion Pharmaceuticals; and Thinking Media/Learning Blade.

A searchable database of legislative lobbyists and employers, and their expenditures, is available on our website at apps.klec.ky.gov/searchregister.asp

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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](https://www.klec.ky.gov)

Trivia Answer

No. However, legislators may attend events where food/drink is served if all legislators, a joint committee, LRC-approved caucuses, and individuals w/permission of their presiding officer are invited.

The Ethics Reporter

APRIL 2023

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

2023 short session sees spending surge

Did you know?



The next filing date for employers' and legislative agents' spending disclosures is **Monday, May 15, 2023**. You may file now!

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 the General Assembly enact the legislative ethics code?
Answer on page 4*

Continuing the trend of higher spending, lobbying interests spent a record \$9.343 million for the 2023 short legislative session, eclipsing the previous record of \$8.548 million set in 2022 for the first 3 months of a year.

862 lobbying businesses and organizations registered to lobby in Kentucky, spending \$9.113 million. 689 lobbyists were paid \$7.55 million in compensation, and reported \$230,339 in expenses.

Total spending on advertising supporting or opposing legislation during a session was \$1,030,802, an all time record, driven by the legislative debates over gaming. The previous record of \$1,017,588 was set in 2015. In 2014, the General Assembly amended the Ethics Code to require such reporting by lobbying groups during any legislative session.

The top two overall lobbying spenders stayed the same from last month, as they continued vying over legislation to prohibit so-called "gray machines", which ultimately passed. **KY Merchants and Amusement Coalition, Inc.** spent \$483,324, mostly on advertising regarding HB 594 and 525, to the tune of \$476,994. This was the highest amount spent on advertising during the session, and included an RV rental that allowed legislators and others to try out the games at issue.

The second highest overall spender, at \$348,263, **Kentuckians Against Illegal Gambling**, paid all but \$1,500 of its lobbying expenditures, \$346,763, on advertising favoring HB 594, garnering the second highest ad spending.

The third highest spender was **KY Chamber of Commerce** (\$150,896). The Chamber also reported the highest cumulative compensation for its 14 registered lobbyists, \$137,160. The Chamber also hosted, along with other sponsors listed in last month's *Ethics Reporter*, the most expensive event to which legislators were invited, the Chamber Day Dinner (\$18,379).

Next was the **American Civil Liberties Union of KY (ACLU)** (\$138,982), which spent the third highest amount on lobbyist compensation, at \$99,966. Fifth

place overall spender **Pace-O-Matic of KY** (\$110,150) also had the second highest lobbyist compensation, at \$106,100.

The rest of the top 10 were: **Keeneland Association** (\$81,229) also fourth in lobbyist compensation (\$78,754); **KY Hospital Association** (\$78,446); **LG&E and KU Energy LLC** (\$73,910); **Greater Louisville, Inc.** (\$73,907), which spent all that amount on fifth place lobbyist compensation; and **Duke Energy** (\$72,937), which posted the third highest ad spending.

The remaining top 20 are: **KY Medical Association** (\$70,930); **KY League of Cities** (\$66,826); **Altria Client Services LLC** (\$66,412); **Fairness Campaign** (\$54,389); **KY Power Company** (\$53,220); **KY Retail Federation, Inc.** (\$52,797); **Elevance Health & Affiliates DBA Anthem Inc.** (\$52,798); **Sports Betting Alliance** (\$44,704), which had the fifth highest ad spending; **KY Bankers Association** (\$41,835); and **KY Association of Electric Cooperatives** (\$40,339).

KY Retired Teachers Association came in fourth in advertising spending.

Out of the \$7,551,566 paid in lobbyists' compensation during the session, the top ten lobbyist earners represented \$1,831,645, or 24% of the total. The top ten were: **Stephen Huffman** (\$231,475); **Patrick Jennings** (\$219,613); **John McCarthy III** (\$215,433); **Bob Babbage** (\$213,696); **Ronnie Pryor** (\$189,949); **Kelly Abell** (\$182,512); **Sean Cutter** (\$159,677); **Chris Nolan** (\$143,947); **Jason Bentley** (\$142,856); and **Mike Biagi** (\$132,487).

Lobbying interests spent \$206,842 on receptions, meals and events for legislators and legislative staff.

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

New and terminated lobbying employers

Several organizations recently registered to lobby legislators in Kentucky: **Amalgamated Transit Union (ATU)**; **BetMGM, LLC**; **DraftKings, Inc.**; **Fifth Third Bank**; and **LDG Development**.

Organizations recently terminating their lobbying registration are: **American Childhood Cancer Organization**; **KY Educational Development Corp.**; **Milburn Group LLC**; **National Council of State Boards of Nursing**; **Opiant Pharmaceuticals, Inc.**; **Owl's Head Alloys, Inc.**; **Pear Therapeutics (US), Inc.**; **Praeses LLC**; **Sound Money Defense League**; **Thoroughbred Engineering**; and **KY Aviation Assn.**

Could Michael Madigan be bought? Jurors to weigh central question in "ComEd Four" trial after closing arguments Monday

ILLINOIS-Chicago Tribune-by Jason Meisner and Ray Long-April 23, 2023

As lawyers on both sides of the "ComEd Four" case gear up for Monday's closing arguments, the difference between conviction and acquittal depends on the jury determining whether the utility's efforts to woo then-House Speaker Michael Madigan were legitimate lobbying or illegal bribes.

In the pantheon of Illinois public corruption cases, prosecutors have famously used the federal bribery statute to convict an ever-growing list of governors, aldermen and state legislators caught on the take. The outcome in this trial, however, is far from certain.

Madigan, who turned 81 last week, did not become the longest-serving speaker in American history by openly and recklessly breaking the law. His acolytes spent decades swearing — sometimes rather loudly on telephone calls, inside saloons and in Capitol hallways — that the speaker, who also led the state Party, was extraordinarily careful to stay within ethical and legal boundaries.

Even though Madigan is not on trial, lawyers for the ComEd Four defendants have tried fervently over the past six weeks to cast doubt in the minds of jurors by challenging the bedrock allegation built into the case that Madigan could be bought.

Prosecutors, however, have alleged it's not crazy at all. In fact, the indictment alleged getting jobs for people was a key way Madigan managed to hold on to power for so long. When the old political machine that depended on blue collar patronage jobs such as meter readers broke down, Madigan simply evolved, prosecutors say, creating a new system that set up an ever-growing list of former political allies with lucrative lobbying and consulting gigs.

That modern-day patronage system was laid bare in the six weeks of testimony, reflecting not only Madi-

gan's vaunted political operation but also the machinations of Illinois politics on a much larger scale, including the cozy relationships between lobbyists, politicians and clout-heavy public utilities that depend on action in Springfield, where Madigan controlled the fate of virtually every piece of legislation.

To prove their case, prosecutors have tried to show that the ComEd Four defendants corrupted that process by providing a stream of benefits to Madigan and his cronies in exchange for what they hoped would be the speaker's favorable treatment of their ambitious legislative agenda in Springfield.

Defense attorneys have argued repeatedly — and will surely again Monday — that none of the jobs and other benefits allegedly bestowed upon Madigan can be directly tied to anything the speaker did for ComEd in the General Assembly.

In deliberating the case, jurors will have to sift through a mountain of evidence.

One person, however, has been a sort of elephant in the courtroom: Madigan himself. While Madigan and McClain were indicted in March 2022 on separate racketeering charges related to the ComEd scheme and other alleged corrupt acts, the ComEd Four jury knows nothing about that case, which is scheduled for trial next April.

The indictment came a year after Madigan lost his speakership in 2021, when his own caucus refused to back him as the burgeoning ComEd scandal became a political albatross. He then gave up his House seat.

Charged in the ComEd Four case are Michael McClain, 75, a Madigan confidant and longtime ComEd lobbyist; Anne Pramaggiore, 64, a lawyer and onetime rising star in Chicago's corporate world; Jay Doherty, 69, a longtime ComEd contract lobbyist and ex-president of the City

Club of Chicago; and John Hooker, 74, who over a 44-year career worked his way from the utility's mailroom to become its point man in Springfield.

The indictment alleged the four conspired to funnel \$1.3 million in payments to ghost "subcontractors." In return, prosecutors say, Madigan used his influence over the General Assembly to help ComEd score a series of huge legislative victories that not only rescued the company from financial instability but led to record-breaking, billion-dollar profits.

Closing arguments are set to begin around 9:30 a.m. Monday in U.S. District Judge Harry Leinenweber's 17th floor courtroom.

At jury instruction conference Thursday, Leinenweber gave prosecutors three hours total to argue their case, including remarks in rebuttal that are the last arguments the jury hears before starting deliberations.

Under the governing case law, prosecutors do not have to show a specific quid pro quo existed between Madigan and the four defendants, only that there was a corrupt intent to provide the stream of benefits to Madigan in order to win his influence over legislative acts.

"The difference between the regular lobbying and corrupt lobbying is not only the intent to influence, as focused on by defendants, but the action which intends to provide 'something of value,' either given or offered, in order to influence the official," the judge wrote in a ruling last year.

Leinenweber on Thursday acknowledged that the issue of when a gratuity or reward for a public official becomes a bribe is in flux in the federal courts nationwide. But for this trial, the prevailing law is what the appellate court in Chicago has held, he said.

Liz Harris expelled from state House for lying about conspiracy presentation

ARIZONA—AZ Mirror— by Caitlyn Sievers—April 12, 2023

Rep. Liz Harris was expelled from the Arizona House of Representatives on Wednesday for orchestrating a February meeting in which a member of the public spread wild conspiracy theories claiming that various state and local officials were in on a housing deed money laundering scheme involving a Mexican drug cartel and the Church of Jesus Christ of Latter Day Saints.

Following a House Ethics Committee report released Tuesday that found Harris lied about her actions and that she had engaged in disorderly conduct, violating rules of the Arizona House of Representatives and “damaging the institutional integrity of the House,” the House voted 46-13 on Wednesday to expel her from the chamber. A two-thirds majority is necessary to expel someone from the chamber.

“I stand on honesty and integrity,” Harris told members of the media as she left the chamber on Wednesday. “God knows the truth. If you don’t toe the line, this is what happens.”

Although he said it wasn’t personal, House Speaker Ben Toma, one of the lawmakers implicated in the unproven bribery scheme, voted to expel Harris.

“The only thing we have down here is our word and our integrity, and when that is clearly crossed, when you can no longer count on someone’s word or integrity, they can no longer be an effective legislator,” Toma said after the vote. “They cannot represent their district well, they cannot be part of anything significant. As difficult as it was, it was just the inevitable and also the right thing to do.”

Toma also pointed out that Harris repeatedly lied to the House Ethics Committee.

While Harris claimed during the Ethics Committee hearing that no criminal allegations were made during Jacqueline Breger’s Feb. 23 presentation to the House and Senate elections committees, the panel rejected that claim, finding that the evidence contradicted Harris’s testimony.

Republican Rep. David Livingston, of Peoria, one of the members who voted to oust Harris, urged his colleagues to consider the vote with the weight it deserved.

“This comes down to the integrity, in my opinion, of this institution,” he said. “This is not personal — this is standing up for what’s right, no matter how difficult it is. And it hurts. And it should hurt. And it will hurt. This institution is more important than us individually.”

Harris’ replacement will be determined by the District 13 precinct committeemen and the Maricopa County Board of Supervisors. The precinct committeemen have five days to nominate three possible replacements, to ultimately be chosen and appointed by the county board.

Harris faced the House Ethics Committee on March 30, after members asked for her to be formally censured for inviting insurance agent Breger to a Feb. 23 joint House and Senate elections committee meeting.

Breger provided no proof of her wild and unfounded allegations, including that Democratic Gov. Katie Hobbs was involved in the money laundering scheme, but that didn’t stop them from spreading like wildfire, fueled by fringe conservative media. Many members of the legislature in her party soon distanced themselves from Harris and Breger’s presentation.

The Ethics Committee found that many of the claims that Harris made during its hearing were untrue, including that she was not aware that Breger would make criminal allegations during her presentation, and that she was surprised by the content of Breger’s presentation.

Scottsdale Rep. Alexander Kolodin, who was present for the Feb. 23 elections committee meeting, said that while he was disappointed in Harris’s actions, he does not believe expelling

her was the right call.

“This makes her a martyr for these awful allegations,” Kolodin said. “It’s setting the precedent that, if you rock the boat too much, you will be expelled.”

Rep. Joseph Chaplik, who heads the Ethics Committee that recommended Harris be punished, also voted against her expulsion. Minority Leader Andres Cano thanked the Ethics Committee and Toma for taking this matter seriously.

“This is a sad and somber day for our institution, but it is a necessary day,” Cano said. “This did real and lasting damage to the lives and reputations of people who did not deserve it.”

He voted to expel Harris, Cano said, with the hope of restoring integrity and honor to the House of Representatives.

The Arizona House last kicked out a legislator in 2018 when it expelled Republican Rep. Don Shooter because of a lengthy pattern of sexual misconduct, according to the Associated Press.

*"In civilized
life, law
floats in a
sea of
ethics."*

*—Chief Justice
Earl Warren*

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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

The General Assembly enacted the code in 1993, in response to the BOPTROT scandal. It's still considered to be one of the most effective in the nation.

The Ethics Reporter

MAY 2023

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

MEMBERS OF THE
LEGISLATIVE ETHICS
COMMISSION

- David Nicholas, Chair
- Tanya Pullin, Vice Chair
- Ernie Harris
- Marie Rader
- Katherine Gail Russell
- Sal Santoro
- Arnold Simpson
- Anthony M. Wilhoit

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, 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>

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

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

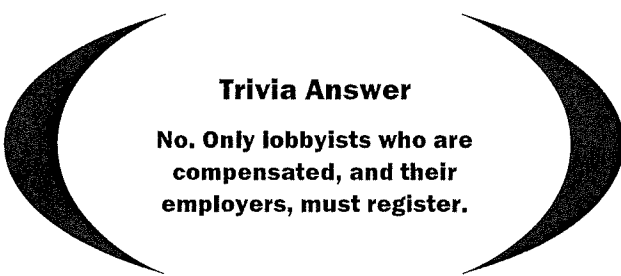
Emily Dennis
Counsel
Emily.Dennis@lrc.ky.gov
(502) 573-2911

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

The Ethics Reporter

JUNE 2023

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

Legislative Ethics Code applies at conferences

Did you know?



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June brings warm weather, vacations, and the beginning of the conference season. Thus, we offer a timely reminder that Kentucky's Code of Legislative Ethics applies to legislators who attend summer, fall, and winter legislative conferences, in conjunction with their legislative service, and those employers of lobbyists and lobbyists who sponsor events in conjunction with those conferences.

Legislators interested in traveling to an out-of-state meeting or conference must obtain prior approval for that travel from the presiding officer of the chamber in which they serve.

Kentucky lobbyists and their employers are required to report the value of food, beverages, and other expenses contributed to events to which approved groups of Kentucky legislators are invited.

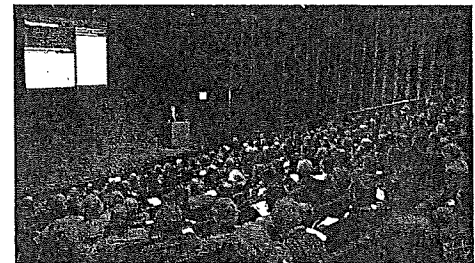
Lobbyists and employers are also required to report other expenses incurred in conjunction with the meetings, if the expenses are directly associated with the employer's or lobbyist's lobbying activities.

Lobbyists and employers are prohibited from buying food and beverages for individual legislators, and lobbyists and employers cannot furnish or pay for out-of-state lodging or transportation, or anything of value, such as

conference registration.

Legislative conferences for the upcoming year include:

- Southern Legislative Conference-July 8-12, Charleston, South Carolina;
- American Legislative Exchange Council-July 26-28, Orlando, Florida;
- National Conference of State Legislatures-August 14-16, Indianapolis, Indiana; and
- Council of State Governments-December 6-9, Raleigh, North Carolina.



How often do lobbyists and employers have to report spending?

Answer on page 4

New and terminated lobbying employers

Several organizations recently registered to lobby legislators in Kentucky: Agile Networks LLC; Blu Bee Canopy LLC; GreenGo Energy US, Inc.; Hart Co. Chamber of Commerce; Med Center Health; Metrc, LLC; Murray Industries; One Senior Care, Inc.; and Wawa, Inc.

Agile Networks LLC designs, builds, and manages wireless infrastructure assets and data networks and is owned by Cincinnati Bell, Inc & Its Subsidiaries dba Altafiber. Blu Bee Canopy LLC is owned by parent company XYZ CBD Processing, which is a hemp-growing and processing company based in Franklin, KY.

GreenGo Energy US, Inc. is a Denmark-based company focused on solar, wind, and other renewable forms of energy. Metrc, LLC is a company that tracks cannabis "seed to sale" in states that have legalized medical marijuana. Murray Industries LLC is an energy company owned by G. Dale Murray, II.

No organizations terminated lobbying in the previous month.

"It is a privilege to serve people, a privilege that must be earned, and once earned, there is an obligation to do something good with it."

-Barbara Jordan

Why lawmakers can't get their act together on time

GOVERNING MAGAZINE-by Alan Greenblatt -June 13, 2023

The New Mexico Legislature was running short of time. By March 13, with less than a week to go before the end of this year's legislative session, the House and Senate had only cleared 27 bills and resolutions and moved them to the governor's desk. By the end of the session on March 18, however, they had managed to clear 387.

That kind of mad rush is common for lawmakers. Whether it's Congress waiting until the last minute to raise the debt ceiling or legislators voting on the cusp of midnight the day before the state budget is due, lawmakers can't seem to help putting off most of their work until they're almost out of time. The final details of Louisiana's budget were only presented to most legislators just 20 minutes before the end of the session.

"It does take a long time to find agreement on certain bills," says Jack Whitver, the majority leader in the Iowa Senate. "If you're trying to find agreement between the House and the Senate and the governor, it takes time."

Putting things off until the last minute is part of human nature. It's not only a question of bad habits. Someone always benefits when legislation is put off until the end of the session. Deadlines produce leverage. Sometimes unpopular bills can be forced through, their passage expedited as part of a bigger, necessary package. More often, bills can be killed, their fate finally fixed because there simply isn't enough time.

That's important, because a lot of what legislators do—and certainly what a lot of lobbyists want — is not to pass legislation, but to block it. "The clock or the calendar is always a strategy that people can pursue to kill legislation," says Mark P. Jones, a political scientist at Rice University. "Even if you don't have the votes, one way to kill it is to hold it hostage."

That End-of-Session Smell

Legislative sessions end not with a bang but with a scramble. Legislators are like college students pulling all-nighters just ahead of finals. "The legislature here at the end of session is boisterous and funny," Minnesota House Speaker Melissa Hortman told

me a couple of years ago. "The House floor has a slight odor of Chinese food and people who have been awake too long and stale coffee."

People aren't always thinking clearly and some lawmakers are visibly drunk.* It's easy to wonder whether this is the best of all possible ways to make laws.

Last year, a commission spent months putting together recommendations to address the teacher shortage in Missouri. State Rep. Ed Lewis crafted a bill to put their ideas to work, raising salaries and providing support for teachers willing to work at underserved schools. His bill passed the state House almost unanimously but was killed in the Senate, based not on any real opposition but that chamber running out of time due to filibusters opposing unrelated bills regarding landfills and sport betting.

One reason his bill was put off until the end is that the Missouri House had a new rule this year, which allowed each committee to send only two bills to the floor ahead of the chamber's mid-session break. The idea was that any issues were better resolved in committee, but the practical effect was that a lot of bills either got delayed or rolled into bigger packages that then presented bigger targets.

Although some chambers impose formal limits, it's often the case that the House or Senate will only be willing to consider some limited number of bills from the other chamber. There's an old joke around state capitols that the other party is the opponent, but the other chamber is the enemy.

Running Out the Clock

A lot of chambers set a series of deadlines. Bills have to be introduced by a certain date and then they have to pass the chamber by another date. Rather than regularize the flow of bills, however, that just creates a set of choke points that kill off a lot of bills. A lot of lobbyists earn a solid living by killing off legislation and preserving a status quo that's favorable to their clients.

"When you look at the systematic bias of pushing things to the last minute, you have to ask, who is it empowering?" says Alex Garlick, a political scientist at the University of Vermont. "It's whoever is delaying."

Delays can also help out legislative leaders, Garlick suggests. Controlling the calendar means that leaders can push off tough votes until the end. That not only puts pressure on rank-and-file members to cast votes in support, either because their party wants them to, or because some project or priority of their own is tucked into a larger bill, but it keeps them in the dark. Not knowing all the details regarding the bill's final form until hours before the vote prevents them from being able to organize much opposition.

It's not just procrastination, it's theater, says Adam Zelizer, a University of Chicago political scientist. The end date is almost always known, but leaders will often put off consideration of the budget or some other big bill because they know taking a tough vote will be made to seem easier due to deadline pressure.

"Voters don't particularly like it when lawmakers compromise their position with the other side," Zelizer says. "Dragging out negotiations and making it look like you had no choice but to compromise when faced with an intransigent opponent might be one strategy to confront this."

Better legislation might well be achievable through better time management. Rather than bluffing, chambers in part-time legislatures will sometimes simply rubberstamp bills that come from the other chamber because they don't have the time or expertise to counter. One 2009 study called *Who Blinks First?* found that professional legislatures are better equipped to face off against governors in budget negotiations because they have more time to be patient and hold off.

But as things stand, most legislatures are stuck running as many bills as they can through a time-sensitive process. Time limits mean some bills will get pushed through due to built-up pressure, but many more bills will have to wait until next year.

* Kentucky's Ethics Code prohibits a legislator from being intoxicated while in the discharge of official duties if this renders them unable to perform said duties. KRS 6.731(7).-Editor

Maui Ethics Board: You can't keep those \$400 Koa digging sticks

HAWAII—Honolulu Civil Beat—by Marina Starleaf Riker—June 16, 2023

County officials should give back the pricey koa digging sticks they received at a recent groundbreaking ceremony for a housing development in West Maui, the Maui Board of Ethics says.

To celebrate the late spring start of construction for Pulelehua, a development of roughly 1,000 homes in part subsidized by millions of county dollars, each official who posed for photographs was given a wooden digging stick to thrust into the ground and then take with them when the event wrapped up.

Maui County Council member Tamara Paltin said she was planning to report the digging stick on the financial disclosure form she fills out when she receives a gift of \$50 or more. To her surprise, she learned the o'o — a routine ceremonial token for years in Hawaii — was made out of koa and worth an estimated \$400.

"Could this possibly be perceived like a reward, or a thank you?" Paltin said. "That's the crux of the issue." For Paltin, who served much of her time as a council member during the pandemic when in-person events were canceled, receiving the stick at the recent ceremony was a first. So she and another colleague, Nohe U'u-Hodgins, a first-time council member who also received her first o'o at the groundbreaking, wrote to the Board of Ethics to

ask what they should do.

The board's decision Wednesday could set a precedent for how Maui's government officials handle o'o and other tributes that have long been doled out during groundbreakings across the Hawaiian Islands without question.

"The perception in the community is what ultimately we need to protect," Gerri Lewis, the ethics board chair, told her colleagues.

The council members' requests for the board to weigh the issue come as there is a sharp focus on tightening up ethics rules throughout the islands. In recent years, two former Hawaii legislators and two former Maui County officials pleaded guilty to accepting thousands of dollars in bribes in one of the largest public corruption scandals in Hawaii's history.

Across the state, ethics watchdogs have since looked more closely at curbing so-called "gifts of aloha," which typically include small items like cookies, malasadas, manapua or musubi. But throughout the islands, politicians, business leaders and developers have been posing with digging sticks for decades. Photographs show government leaders and executives smiling while holding them at groundbreaking ceremonies that range from one held for Maui's Target to the Honolulu

rail project and a new legal assistance building at the University of Hawaii's law school. Sometimes the sticks are kept as gifts, sometimes they're just for the photo op.

At the state level, officials must disclose when they receive gifts of more than \$200, including those to close family members like children and spouses. In Maui County, elected officials must note any gifts over \$50. They also aren't allowed to accept any gifts that might possibly be perceived as an attempt to influence them or a reward for a specific decision. Paltin said that although the ethics board's decision technically only applies to her and her colleague's specific experiences, she hopes that it will set a precedent while making it easier for county officials to politely decline what have long been standard ceremonial gifts.

Back when koa was more widely available, the o'o might have been less expensive, Paltin said. But giving them away during ceremonies is still so widespread that some executives are trying to figure out how to make them out of cheaper wood. "If they use some invasive wood and it's less than \$50, then is it OK?" Paltin asked. "I'm not sure."

In the weeks since the Pulelehua ceremony alone, she said she was given a second o'o for the groundbreaking of a new county well in West Maui. Although she doesn't think it's made of koa because it's much lighter, she is returning that one, too.

"That's why I wanted a formal opinion — to be very clear," Paltin said.

As Chicago's city commissions start meeting in person again, future of online access in doubt

ILLINOIS—WTTW Chicago—by Heather Cherone—June 12, 2023

For the first time in more than three years, all city boards and commissions are once again meeting in person to handle the city's business, putting an end to the virtual meetings that became a hallmark of the COVID-19 pandemic. But there are no rules ensuring those meetings will continue to be streamed online or allow members of the public to weigh in virtually, either by Zoom or by phone, putting at risk Chicagoans' ability to keep tabs on their government with a simple click of a button.

"This would be a massive step backward in transparency and equity," said David Greising, CEO of the Better Government Association. When Gov. J.B. Pritzker ended the public health emergency on May 11, boards and commissions across the state could no longer meet virtually, as rules that allowed

them to meet via Zoom or other teleconferencing platforms expired.

"The great revelation of the pandemic was that people actually cared what their governments were doing...There should be one standard for all city boards and commissions," Griesing said.

State law does not require cities to livestream public meetings. However, the Chicago City Council requires all of its meetings, as well as meetings of its committees, to be livestreamed, as they have been since 2019. During the pandemic, the City Council amended those rules to allow public comment via Zoom or by phone during in-person City Council meetings. In May, the Council approved a new set of rules that allow alderpeople to participate remotely in the event they are ill, away on

official business or experiencing a family emergency.

The Landmarks Commission meeting was not livestreamed because it was scheduled to take place in a meeting room that is not equipped with AV equipment. Nothing on required public notices [for the Community Development Commission or Zoning Appeals Board] indicates they will be livestreamed. By contrast, the Chicago Board of Ethics voted unanimously to "continue to make our meetings available to our fellow Chicagoans both in person and through our streaming platform, even though it is not required legally.. We are a public board, responsible to the residents of Chicago; public participation is a core ingredient of meaningful democratic government. Our public meetings are intended to provide information to all members of the public, and enable the public, in turn, to inform and educate us on matters of concern to them."

MEMBERS OF THE
LEGISLATIVE ETHICS
COMMISSION

- David Nicholas, Chair
- Tanya Pullin, Vice Chair
- Ernie Harris
- Marie Rader
- Katherine Gail Russell
- Sal Santoro
- Arnold Simpson
- Anthony M. Wilhoit

NEXT MEETING OF THE
COMMISSION

The Kentucky Legislative Ethics Commission's next regular meeting is scheduled for Tuesday, July 11, 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!

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

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

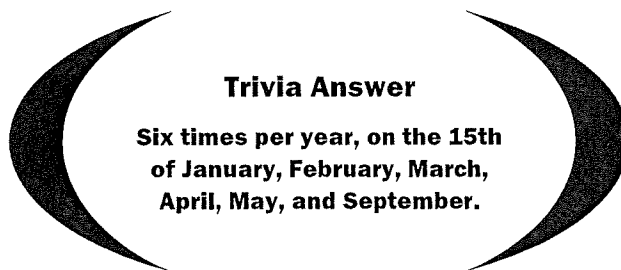
Emily Dennis
Counsel
Emily.Dennis@lrc.ky.gov
(502) 573-2911

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

Six times per year, on the 15th of January, February, March, April, May, and September.