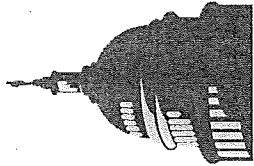


# Kentucky Legislative Ethics Commission



## Kentucky Legislative Ethics Commission Members in FY 2017-2018

Anthony Wilhoit, Chair  
Sheldon Baugh, Vice-Chair

Pat Freibert  
Anthony Goetz  
Paula Sherlock  
Tom Jensen (resigned 6/2018)  
George Troutman (retired 4/2018)

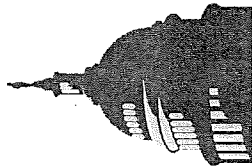
Elmer George  
Phil Huddleston  
Ken Winters

## Commission Staff

John Schaaf, Executive Director  
Laura Hendrix, Counsel  
Donnita Crittenden, Executive Assistant  
Lori Smither, Staff Assistant  
Mark Brengelman, Enforcement Counsel  
Kara Daniel, Counsel (resigned 4/2018)  
Michael Malone, Enforcement Counsel (retired 1/2018)

22 Mill Creek Park  
Frankfort, Kentucky 40601-9230  
Telephone: (502) 573-2863  
Fax: (502) 573-2929  
Web Address: <http://klec.ky.gov>

# ANNUAL REPORT



FY 2017-2018

## Legislative Ethics Commission Member Profiles

**Anthony Wilhoit** – Judge Wilhoit is the Chairman of the Commission. He 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 LL.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** – Former State Representative Baugh is the vice-chairman of the Commission. 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.

**Pat Freibert** – Former State Representative Freibert was appointed to the Commission by the President of the Senate in 2008, and also served on the Ethics Commission from 2000-2004. She was a member of the House of Representatives from 1979 to 1993. Mrs. Freibert has a long record of involvement in political, civic, educational, and charitable affairs for which she has received local, state, and national recognition. She is also a free-lance writer for several publications. In 2004, Mrs. Freibert was appointed by the Governor to the Kentucky Commission on Women, and served as Chair of that Commission. She lives in Lexington.

**Elmer George** – Mr. George was appointed to the Commission by the Speaker of the House in 2014. He is a practicing lawyer in Marion County. He is a graduate of Bellarmine University and the University of Kentucky Law School. He and his wife, Rita Faye, reside in Lebanon.

**Tony Goetz** – Mr. Goetz was appointed to the Commission by the President of the Senate and the Speaker of the House in 2017. He is a native of Daviess County, and a graduate of Brescia University in Owensboro. He began his graduate work at George Peabody College for Teachers in Nashville, and completed his Master's Degree at UK in 1970. Mr. Goetz has served as Executive Director of the Owensboro Council for Retarded Children (1965-1967) and the Blue Grass Association for Mental Retardation (1967-1973). From 1973-1975, he was Executive Director of the Blue Grass Regional Health Planning Council and then served as Executive Director of the East Kentucky Health Systems Agency from 1976-1980. In 1980, he was named Associate Dean in Administration and Finance of the UK Medical School, and served in that and various other administrative positions at the University through 2003. His last position at UK was Director of Government Relations. In 2004-2005, he served as the Governor's Legislative Liaison. He and his wife, Nancy, reside in Jessamine County.

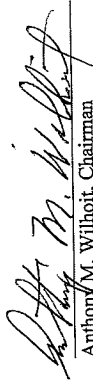
## FOREWORD

I am pleased to submit the 25th 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).



Anthony M. Wilhoit, Chairman

## Legislative Ethics Commission Staff Profile

**Phil Huddleston** – Phil Huddleston was appointed to the Commission by the Speaker of the House in 2017. He is a native of Albany, and served more than 30 years in state government in a variety of roles, including as a legislative and policy analyst as well as chief of staff to the President of the Senate and chief of staff to the Lt. Governor. Mr. Huddleston has served on the board for the Lexington Hearing and Speech Center, the Kentucky Commission for the Deaf and Hard of Hearing, the Human Services Coordination Alliance, and the Frankfort Salvation Army. He and his wife Pat live in Frankfort and have a daughter and two grandchildren.

**Paula Sherlock** – Judge Sherlock was appointed to the Commission by the Speaker Pro Tem in 2018. She served as a Family Court Judge in Jefferson County from 2005 until her retirement as Chief Judge of Family Court in 2017. She was selected as Judge of the Year by the Louisville Bar Association in 2015, the Women Lawyers Association in 2016, and the American Academy of Matrimonial Attorneys of Kentucky in 2014. In 2013, Kosair Children's Hospital selected her as Child Advocate of the Year. In 2017, Judge Sherlock was appointed by the Kentucky Supreme Court to serve on the Child Fatality and Near Fatality External Review Panel, which reviews all child deaths and near deaths due to caregiver abuse and neglect. She was on the Board of Directors of the LBA, the Domestic Violence Fatality Review Committee, the Domestic Violence Coordinating Council, and the Family Court Rules Committee. Judge Sherlock has been active in Volunteers of America, Operation Open Arms, and Dress for Success. Judge Sherlock is admitted to practice in all state and federal courts in Kentucky since 1992 and was admitted to practice before the U.S. Supreme Court in 2002. She earned her undergraduate degree at the University of Northern Colorado, a Master's at Campbell University, and her J.D. from Washington & Lee University. She and her husband Ike live in Prospect.

**Ken Winters** – Dr. Winters was appointed to the Commission by the President of the Senate in 2015. From 2005 to 2013, he served two terms in the State Senate, representing the 1<sup>st</sup> District in western Kentucky. He chaired the Senate Education Committee during his entire tenure in the General Assembly, and was the sponsor of 2009 Senate Bill 1, the bipartisan education reform bill that called for the alignment of K-12 and postsecondary education, and established Kentucky as one of the nation's leaders in the adoption and implementation of the Common Core State Standards. Dr. Winters served as the ninth president of Campbellsville University from 1988 to 1999. Prior to coming to what was then Campbellsville College, he was dean of the College of Industry and Technology at Murray State University for many years. Dr. Winters is a graduate of Murray State University, where he received a B.S.; Indiana University, where he received an M.S.; and the University of Northern Colorado, where he earned an Ed.D. Dr. Winters and his wife, Shirley, reside in Murray.

**Tom Jensen** – Resigned June 2018. Judge Jensen was appointed to the Commission by the President of the Senate in 2016. From 2012 to 2016, he served as circuit court judge in the 27th Judicial Circuit, which is Knox and Laurel counties. Judge Jensen is a former member of the State Senate, serving from 2005 to 2013, and a former member of the House of Representatives, serving from 1984 to 1986, and from 1989 to 1996. He was House Minority Floor Leader from 1991 through 1994. Judge Jensen was Chair of the Kentucky Republican Party and a delegate to the 1996 Republican National Convention. Judge Jensen earned his undergraduate degree in secondary education from Cumberland College and his J.D. from the Chase College of Law at Northern Kentucky University in 1978. He has practiced law since 1978, and lives in London with his wife, Nannette.

**George C. Troutman** – Retired April 2018. Mr. Troutman was appointed to the Commission in 1994 by the Speaker of the House, and served for a record 24 years, including 17 years as Chairman. He graduated from St. Xavier High School and Bellarmine University, where he majored in accounting. Mr. Troutman is a retired Certified Public Accountant, and is a member of the American and Kentucky Society of CPAs and the American Board of Forensic Accounting. He served on the Registry of Election Finance from 1992 to 1994, and he and his wife Mary live in Louisville.

**John Schaaf** – Executive Director - Mr. Schaaf joined the Commission in 2004. Prior to that, he was the General Counsel and staff attorney for the Legislative Research Commission for 16 years. His other employment experience includes practicing law in Louisville, and working as editor of a weekly newspaper. He received a journalism degree from the University of Kentucky and a J.D. from the University of Louisville Brandeis School of Law. From 2013 to 2017, he served on the national steering committee of COGEL, the Council on Governmental Ethics Laws.

**Laura Hendrix** – Counsel - Ms. Hendrix joined the Commission staff in May 2018. 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.

**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.

**Kara L. Daniel** – Resigned April 2018. Ms. Daniel joined the Commission staff in 2015 and served as Counsel. Before joining the Commission staff, she was the General Counsel for the Justice and Public Safety Cabinet, and prior to that, she worked as an attorney for the Legislative Research Commission from 2003 to 2012. Her other employment experience includes working at the Kentucky Bar Association in the area of attorney ethics, and working at a small law firm in Paducah. She received a bachelor's degree from Centre College and a J.D. from the University of Kentucky College of Law.

**P. Michael Malone – Retired January 2018.** Mr. Malone was the Enforcement Counsel for the Commission. He was an Assistant Commonwealth's Attorney in Fayette County from 1978 until his retirement in 2006. He was the First Assistant Commonwealth's Attorney beginning in 1987. In addition to trying over 350 felony cases, including approximately 60 murder trials, he worked closely with homicide detectives investigating major crimes. Mr. Malone served in the United States Coast Guard before entering the University of Kentucky, where he majored in Political Science, and the University of Kentucky School of Law, from which he received a J.D.

**Education and Training  
FY 2017-2018**

July, 2017	John Schaaf and Kara Daniel, presentation at Kentucky Council of Area Development Districts in Frankfort
July, 2017	John Schaaf and Kara Daniel, presentation at Legislative Assistants training at the Legislative Research Commission
August, 2017	John Schaaf and Kara Daniel, presentation at Community Action Kentucky in Frankfort
August, 2017	John Schaaf, presentation at University of Kentucky in Lexington
September, 2017	John Schaaf, presentation on ethics and lobbying at Research, Editorial, Legal and Committee Staff Professional Development Seminar hosted by NCSL in Lexington
December, 2017	John Schaaf and Kara Daniel, attended and presented at the Council on Governmental Ethics Laws (COGEL) Conference in Toronto, Canada
January, 2018	Current Issues Seminar for Members of the General Assembly conducted by LEC Staff
January, 2018	Donnita Crittenden and Kara Daniel, Employer and Legislative Agent Training Session
March, 2018	Donnita Crittenden, three separate Employer and Legislative Agent training sessions at Commission Office
June, 2018	John Schaaf, presentation at the Kentucky Bar Association Annual Conference in Lexington

During the fiscal year, the Commission staff:

- Provided various in-house training sessions, as requested
- Reviewed, approved, and posted (on website) 358 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; and
- 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 2017-2018

Number of Employers: 714  
Number of Legislative Agents: 576

Updated Registration Statements were filed on:

- September 15, 2017
- January 15, 2018
- February 15, 2018
- March 15, 2018
- April 15, 2018
- May 15, 2018

The Kentucky Legislative Ethics Commission (KLEC) continues to enhance its database and web site, 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."

**Complaints and Administrative Actions**

FY July 1, 2017 - June 30, 2018

**Complaints:**

There were three formal complaints filed against legislators during this fiscal year. Two complaints, filed against individual legislators, were dismissed for lack of probable cause. One complaint, filed against four legislators, was dismissed against three of the legislators, and one legislator received a public reprimand with a \$1,000 civil penalty.

**Administrative Fines Levied by the Commission:**

Legislative Agents	\$2,250.00
Employers	\$3,850.00
Legislators	\$1,000.00
Candidates	\$100.00
<b>Total Fines Collected</b>	<b>\$7,200.00</b>

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

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.)
1993	\$84	\$1,534	\$1,541,077
1994	\$1,202	\$36,422	\$6,466,058
1995	\$284	\$16,226	\$2,732,827
1996	\$890	\$44,761	\$7,305,064
1997	\$14	\$26,091	\$3,583,809
1998	\$30	\$87,241	\$8,112,968
1999	\$248	\$31,644	\$4,433,490
2000	\$95	\$149,456	\$9,302,624
2001*	\$233	\$141,020	\$6,882,993
2002	\$282	\$196,694	\$10,294,339
2003	\$542	\$198,302	\$9,188,587
2004	\$711	\$214,704	\$12,085,107
2005	\$688	\$239,060	\$12,566,170
2006	\$580	\$246,821	\$15,474,604
2007	\$160	\$178,262	\$13,685,722
2008	\$516	\$283,563	\$16,902,528
2009	\$236	\$155,069	\$15,262,677
2010	\$530	\$217,265	\$16,692,839
2011	\$244	\$177,926	\$15,090,667
2012	\$539	\$159,561	\$17,777,457
2013	\$459	\$165,830	\$16,442,328
2014	\$149	\$194,087	\$18,411,527
2015	\$0	\$203,584	\$19,296,843
2016	\$0	\$242,522	\$20,783,038
2017	\$0	\$209,917	\$20,832,220
2018**	\$0	\$212,649	\$16,736,581

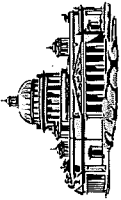
\*2001 Reflects totals from the first annual session in an odd-numbered year. \*\*2018 figures include totals through August 31, 2018. From 1993 to August 31, 2018, \$317,884,144 was reported. Of that figure, \$279,371,176 was attributed to salaries of legislative agents and \$38,512,968 was for other lobbying expenses.

LOBBYING EXPENSES AS REPORTED 1993 - 2018

YEAR	EMP FB	EMP AE	EMP RME	EMP EXP	LA FB	LA RME	LA EXP	LA COMP	LA	TOTAL
2018	\$0	\$455,352	\$205,496	\$866,838	\$0	\$7,153	\$729,320	\$14,472,422	\$16,736,581	
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	\$14,970,368	\$16,442,328	
2012	\$539	N/A	\$143,154	\$858,368	\$0	\$16,407	\$945,621	\$15,813,368	\$17,777,457	
2011	\$238	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	\$16,492,839	
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	\$80	\$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*	\$3,989,017	\$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	\$1,436	\$552,648	\$3	\$108	\$0	\$986,811	\$1,541,077	
Totals	\$7,149	\$2,000,336	\$3,729,391	\$18,117,523	\$1,567	\$300,820	\$14,356,182	\$79,371,176	\$317,884,144	

Guide to Abbreviations:  
 EMP,FB (Emp. Food and Beverage)  
 EMP,RME (Emp. Reception, Meals & Events)  
 EMP,EXP (Emp. Expenses)  
 EMP,AE (Emp. Advertising Expenses)  
 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.  
 \*\*2018 figures include totals through August 31, 2018.  
 2015 was first year for reporting EMP,AE  
 NOTE: Numbers have been rounded up to next dollar for convenience.



# ETHICS REPORTER July, 2017

Kentucky Legislative Ethics Commission  
22 Mill Creek Park, Frankfort, Kentucky 40601-9230  
Phone: (502) 573-2863  
<http://klec.ky.gov>



## **\$2.4 billion spent on state contracts: State revenue and credit rating down**

Halfway through its 2016-18 budget cycle, Kentucky state government has issued \$2.4 billion in contracts. That's nearly identical to the amount of money allocated for contracts in the first year of the prior biennium, so the state appears to be on track to match the \$3.7 billion spent on contracts in the most recent two-year budget cycle.

According to information from the Legislature's Government Contract Review Committee, \$1.04 billion in personal service contracts and increases to existing contracts were approved in FY 2016-17. These are agreements between the state and private contractors who perform professional services for state agencies, and many are for a two-year period.

In addition, \$1.35 billion was allocated for Memoranda of Agreement (MOAs) in the just ended fiscal year. MOAs are contracts between the state and public or private providers that carry out government functions, and many of them are also for the two-year biennium.

In July, the first month of the new fiscal year, \$963.6 million in contracts and MOAs were submitted to the Government Contract Review Committee.

As the last fiscal year closed, state budget officials reported a \$152 million shortfall in revenue, and predicted another shortfall in the current year budget.

Soon after the shortfall was announced, Moody's Investors Service, the credit rating agency, downgraded Kentucky's credit rating for several types of borrowing, including borrowing for road-building and for local school districts. The downgrade could increase the costs for state-funded projects.

Moody's said "The downgrade reflects revenue underperformance that will challenge the commonwealth's ability to increase its very low pension funding levels."

The spending on contracts in the last fiscal year includes a two-year \$106 million contract with Correct Care Solutions, LLC of Nashville, Tennessee. Correct Care will provide medical services to all inmates in 13 institutions operated by the state's Department of Corrections. The Department also renewed a two-year \$20 million contract with Diamond Drugs, Inc. of Indiana, Pennsylvania to provide pharmaceutical services to inmates at 12 institutions.

The Personnel Cabinet renewed a two-year \$49.5 million contract with Cannon Cochran Management Services, Inc. of Louisville to provide third-party administration for the state's self-insured Workers' Compensation program.

The Department for Behavioral Health, Developmental and Intellectual Disabilities renewed a two-year \$21.3 million contract with Louisville-based Rescare, Inc. to operate the Outwood Intermediate Care Facility, an 80-bed facility located in Dawson Springs.

The University of Kentucky added \$30 million to a contract with Huron Consulting Services, LLC, a Chicago-based company that provides health-care consulting services to the UK HealthCare system. The two-year contract with Huron now totals \$50 million. UK also has a two-year \$20 million contract for health care consulting with Deloitte Consulting, LLP of Omaha, Nebraska.

The Department of Education added \$2.2 million to a two-year contract with NCS Pearson, Inc. of Iowa City, Iowa, and that contract now totals \$17.6 million. Pearson provides statewide academic testing which assesses reading, math, science, social studies, and writing to approximately 150,000 students in the fourth, seventh, and 11<sup>th</sup> grades.



## **Summer lobbying reports due by September 15**

There are 614 legislative agents (lobbyists) registered in Kentucky, and they're working for 718 employers. By Friday, September 15, 2017, all lobbyists and employers are required to file Updated Registration Statements for the period May 1 through August 31, 2017.

Forms may be filed online, by fax, or via U.S. Mail. If filing online, go to <http://klec.ky.gov> and click "file forms online."



## **New lobbying registrations and terminations**

Employers of lobbyists who have recently registered include: Boone County Fire Protection Districts; Edumedics; Intrust Healthcare; Jeffersonstown Fire Department; Nagnoi, LLC; Purchase Youth Village; and Reid Investments. Also, Alliance for Innovative Medicine registered then terminated later in the same month.

Other employers that terminated and are no longer lobbying, including: Accreditation Association for Ambulatory Health Care; Baptist Health Plan; and City of Corbin.

Kentucky Legislative Ethics Commission  
22 Mill Creek Park, Frankfort, Kentucky 40601-9230  
Phone: (502) 573-2863  
<http://kdec.kv.gov>



### State approves incentives for businesses

In the recently completed fiscal year, Kentucky state government gave final approval to 334 companies to receive \$173.6 million after the companies promised to locate or expand in the state.

In FY 2016-17, the Kentucky Economic Development Finance Authority (KEDFA) approved 49 of those companies to receive over \$1 million in incentives, some by direct payment and some by allowing companies to retain tax money they would otherwise be required to pay into the State Treasury.

The fiscal year total is an increase from the \$136 million in incentives which were approved for 298 companies in the previous fiscal year. The largest state incentive packages will go to the following companies in these counties:

**Computershare, Inc.** (Jefferson County) \$13.2 million; **Champion Petfoods USA** (Logan County) \$12 million; **Aleris Rolled Products, Inc.** (Hancock County) \$11 million; **Kindred Healthcare Operating, Inc.** (Jefferson County) \$11 million; **Big Ass Solutions** (Payette County) \$6.5 million; **Amazon Fulfillment Services, Inc.** (Boone County) \$5.4 million; **Thai Summit Kentucky Corp.** (Nelson County) \$5 million; **Constellium-UACJ ABS LLC** (Warren County) \$4.5 million; **Maker's Mark Distillery** (Marion County) \$4.25 million; and **Faurecia Automotive Seating LLC** (Shelby County) \$3 million.

**THG International** (Bullitt County) \$2.6 million; **Braidy Industries** (Greenup County) \$2.5 million; **Diageo Americas Supply, Inc.** (Shelby County) \$2.5 million; **GameStop, Inc.** (Bullitt County) \$2.5 million; **INOAC Group North America LLC** (Washington County) \$2.5 million; **International Crankshaft, Inc.** (Scott County) \$2.5 million; **iwis Engine Systems** (Calloway County) \$2.5 million; **LEDVANCE LLC** (Woodford County) \$2.5 million; **Eby-Brown Co.** (Bullitt County) \$2.4 million; **TRAD North America** (Christian County) \$2.3 million; **Retail Convergence.com** (Bullitt County) \$2.25 million; **Specialty Foods Group** (Davies County) \$2.25 million; **Kellogg USA** (Pike County) \$2 million; and **Sazerac Distillers** (Nelson County) \$2 million.

These incentive payments are from the state's largest economic development programs, such as the Business Investment program (KBI) and the Enterprise Initiative Act (KEIA). The above totals don't include amounts which will be paid by local governments to benefit the businesses, or payments or tax breaks from other state programs.

For example, **Lakeshore Learning Co.**, which manufactures educational materials, is building a distribution center near Midway. KEDFA gave final approval to Lakeshore to receive \$1.4 million from KEIA, preliminary approval to get \$3.7 million from KBI, and approval for \$1.35 million in Economic Development Bond funds to extend gas lines to the distribution center. KEDFA also approved a 100 percent reduction in the state ad valorem tax rate on **Lakeshore's** building and equipment, which will be financed with industrial revenue bonds issued by the City of Midway. That tax reduction will be worth up to \$50 million over 30 years.

### Summer lobbying reports due by September 15

There are 611 legislative agents (lobbyists) registered in Kentucky, and they're working for 719 employers. By Friday, September 15, 2017, all lobbyists and employers are required to file Updated Registration Statements for the period May 1 through August 31, 2017. Forms may be filed online, by fax, or via U.S. Mail. To file online, go to <http://kdec.kv.gov> and click 'file forms online.'

### New registrants and terminations

Four businesses or organizations have recently registered to lobby. Those are: **Baxter Healthcare Corp.**; the **Kentucky State University Foundation, Inc.**; **Mariam Clinics**, which has a clinic near Chicago, and states it will be lobbying on issues related to regenerative medicine; and **Oldham Reserve Partners**, which is developing 1,000 acres in LaGrange for office, commercial, retail, and residential use.

Meanwhile, **Braeburn Pharmaceuticals**; **Cisco Systems, Inc.**; **Live Nation Entertainment, Inc.**; and the **Louisville/Jefferson County Metropolitan Sewer District** have terminated their lobbying registrations and are no longer lobbying in Kentucky.



### Ethics and lobbying news from around the U.S.A.

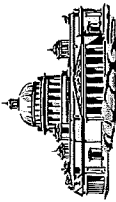
#### FBI Agents went undercover in Florida's capital for the 'biggest investigation in years'

FLORIDA -- USA Today Network -- by Sean Rossman -- Aug. 16, 2017

Tallahassee -- Buff, bearded and handsome, Atlanta developer Mike Miller sat sipping a cocktail one afternoon last summer outside the spiffy Power Plant Cafe in the city's new central park. Relaxed, with shirt collar open, he chatted up the head of the local Community Redevelopment Agency, spinning his grand plans to redevelop a not-yet-gentrified block in the shadow of Florida's Capitol.

The meeting was one of many Miller had with local elected officials and hot-shot developers, beginning in 2015, when he rolled into the steamy, Spanish-moss draped seat of Florida state government. More south Georgia than South Beach, Tallahassee was hungry for the likes of Miller, an out-of-towner willing to spend millions to revitalize downtown as the capital city ached to rebrand itself as a place open for business.





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### Kentucky Chamber remains top lobbying spender

More than \$14.5 million has been spent on lobbying in the first eight months of 2017, a five percent increase from the \$13.7 million spent during the same period in 2015, the most recent year with a 30-day regular session.

The number of businesses and organizations employing lobbyists also continues to rise. There are 704 businesses and organizations employing lobbyists, four percent more than this time last year. There are 605 registered lobbyists, a seven percent increase since last year.

The **Kentucky Chamber of Commerce** is the top spender so far this year, reporting \$240,440, or 13 percent more than the **Chamber** spent in the comparable period of 2016, even though this year's session was only half as long as last year's.

Altria remains the second-leading spender, reporting \$200,036, a slight increase over last year's spending. The other spenders in the top five are: **Kentucky Hospital Association** (\$136,336); **Marsy's Law for All** (\$123,135); and **Kentucky Justice Association** (\$122,280).

Other top spending businesses and organizations include: **Anthem Inc.** (\$118,500); **Kentucky League of Cities** (\$113,908); **U.S. Justice Action Network** (\$110,604); **Kentucky Retail Federation** (\$97,010); **Molina Healthcare, Inc.** (\$86,400); **Humana** (\$84,497); **AT&T** (\$83,688); **Kentucky Medical Association** (\$79,656); **Kentucky Bankers Association** (\$76,856); **Greater Louisville, Inc.** (\$76,284); **Kentucky Farm Bureau Federation** (\$70,449); **CSX Corporation** (\$70,335); **Home Builders Association of Kentucky** (\$70,328); **EQT Corporation** (\$67,506); and **LifePoint Hospitals, Inc.** (\$65,600).

Since 1994, the first full year of lobbying reporting, Kentucky lobbying spending has more than tripled from \$6.4 million to the 2016's all-time high of \$20.8 million. More than 90 percent of spending is compensation paid to lobbyists.

### Four employers register; 19 others terminate

Businesses and organizations recently registered to lobby the General Assembly are: **Institute for Justice**, an Arlington, Virginia-based 501(c)(3) organization and law firm that litigates cases in support of school choice and against state and local government regulations; **Kentucky BlueGrass Cannabis**, a recently-organized LLC which will lobby for medical cannabis; **Retirement Security Initiative**, a California-based organization that recently supported a Michigan plan to put new teachers into 401(k) retirement plans rather than defined benefit plans; and **Verde Technologies**, which sells drug deactivation and disposal pouches that can be used to dispose of unused prescription drugs.

Employers that terminated registration, and are no longer lobbying are: **ADP - Automatic Data Processing**; **American Massage Therapy Association/Ky. Chapter**; **Apollo Education Group, Inc.**; **Black Hawk Mining, LLC**; **Blue & Co., LLC**; **Cal-Tex Protective Coatings, Inc.**; **Chancelight**; **Codell Construction**; **Eastern Kentucky University**; **Family & Children's Place**; **Indiana Health Information Exchange**; **Joe Foss Institute**; **Kentucky Council of Churches**; **Level 3 Communications, Inc.**; **Mulzer Crushed Stone**; **Newtown Springs**; **Public Consulting Group**; **Southern Health Partners**; and **UC Health**.

### Two new appointees will serve on the Ethics Commission

The nine-member Legislative Ethics Commission has two new members. Former State Representative **Sheldon Baugh** of Russellville was appointed to the Commission by Senate President Robert Stivers. Mr. Baugh served in the House of Representatives from January 1995 to January 2008, and he served as a Magistrate on the Logan County Fiscal Court from 1977 to 1981.

Former legislative staff member **Phil Huddleston** of Frankfort was appointed to the Commission by House Speaker Jeff Hoover. Mr. Huddleston served the General Assembly for more than 30 years in a variety of roles, including as Assistant Director for Constituent Services, and as chief of staff to the President of the Senate.



### Ethics and Lobbying News from around the U.S.A.

#### California passes bill to track 'dark money' in political ads and campaigns

CALIFORNIA - *StatesScoop.com* - by Jason Shueh - September 18, 2017

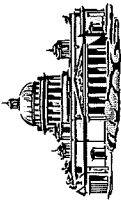
Proponents of campaign finance reform are celebrating the passage of the Disclose Act, a bill passed by the California Assembly Friday that may require political ads for the web, television, print and radio to disclose a ballot campaign's top three donors.

The bill, Assembly Bill 249, is a landmark piece of legislation that its advocates say will spotlight "dark money" fueling political advertising. If signed by Gov. Jerry Brown, the state's swarms of online ads, mass emails and other media will be required to reveal the names of previously hidden donors within advertisements. The act is designed to further state transparency efforts by eliminating common campaign funding tactics that use the names of political committees and action groups to camouflage corporations, wealthy individuals and political organizations.

"After seven years and dozens of authors and co-authors, the Disclose Act has finally passed the legislature and is moving onto Gov. Brown," said the bill's primary author, Assemblyman Kevin Mullin. "Transparency in elections is critical to our democracy and AB 249 brings that transparency to California, giving our voters the opportunity to make informed decisions based on honest information."

Mullins said California's campaign spending has risen to "unprecedented" levels and estimated that more than \$1 billion has been spent from 2012 to 2016. Too much of that money, he said, has gone toward advertising designed to deliberately conceal the interests of corporate lobbyists and industry groups.

## ETHICS REPORTER October, 2017



Kentucky Legislative Ethics Commission  
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<http://klec.ky.gov>



### Two-year registration for lobbyists and employers opens on December 1, 2017

Employers' and legislative agents' registration with the Legislative Ethics Commission will expire on December 31, 2017. Check the Ethics Commission's website <http://klec.ky.gov> for the Initial Registration Statement for the two-year period beginning January 1, 2018 and ending on December 31, 2019. For your convenience, we will also send out an email mid-November with instructions and forms attached.

**Beginning December 1, 2017**, the Commission will accept completed registrations. Initial registration forms CANNOT be filed online.

A registration fee of \$250 must be paid by the employer of one or more legislative agents. This fee may be paid by cash, check, Visa, MasterCard, American Express, or Discover. If the registration is mailed with a check, the check should be payable to **Kentucky State Treasurer**.

If paid by credit card, the registration may be faxed, or scanned and e-mailed, along with the completed credit card form. The Initial Registration Statement may be copied.

Please remember the employer must sign the registration form of each legislative agent. If more information is needed, please contact the Commission at (502) 573-2863, or e-mail [Donnita.Crittenden@LRC.ky.gov](mailto:Donnita.Crittenden@LRC.ky.gov)



### Employers and lobbyists spending on Derby, State Fair, and summer conferences

When the General Assembly is not in session, one of the ways businesses and organizations that employ lobbyists seek to build relationships is to host events and invite legislators to attend. Events are often sponsored in conjunction with annual meetings of national or regional legislative organizations or other annual events such as the Kentucky Derby or the Kentucky State Fair.

This year, 103 employers and 26 lobbyists together spent \$17,357 on three events at the National Conference of State Legislatures meeting held in Boston (\$11,667 on Kentucky Night, an event to which all legislators were invited; \$4,424 on a Senate dinner; and \$1,226 on a reception for the members of the House of Representatives).

A group of 96 employers and 26 lobbyists spent \$10,289 on three similar events at the Southern Legislative Conference meeting in Biloxi, Mississippi. Multiple employers and lobbyists also spent \$4,544 at the American Legislative Exchange Council meeting in Denver, and spent \$1,993 at the National Conference of Insurance Legislators in Chicago.

Employers spent \$6,968 in May for a Derby Brunch for legislators; and \$2,994 was spent by employers on a Northern Kentucky United event held in June.

The highest amount spent by a single employer for a single event was \$7,940 spent by Kentucky Farm Bureau Federation on its annual country ham breakfast held in conjunction with the Kentucky State Fair in Louisville. The second highest was \$3,645 contributed by AT&T for the Derby Brunch mentioned above, and third was \$3,267 spent by the Kentucky Chamber of Commerce on a Business Summit it sponsored in July.

### Federal PACs spent \$4 million on state races in last year's election



As the 2018 election cycle begins, many businesses and organizations that lobby in Kentucky have affiliated political action committees (PACs) preparing to participate in the upcoming elections.

Groups that do business across the country will often employ PACs registered with the Federal Election Commission in Washington, D.C. to contribute to candidates in many state and federal elections.

In last year's state election cycle, federal PACs contributed almost \$4 million to Kentucky candidates and campaign committees, according to the Kentucky Registry of Election Finance (KREF). Most of the contributions went to legislative candidates and caucus campaign committees, but some went to local candidates and to unauthorized campaign committees registered with KREF.

Among the employers of lobbyists, the following have affiliated PACs that gave more than \$10,000 to legislative campaigns: Aetna (\$10,750); Alkermes (\$11,500); Alliance Coal (\$23,000); Amgen (\$11,250); Anthem (\$19,750); Atmos Energy (\$26,000); Columbia Gas/NISource (\$17,800); Communications Workers of America (\$26,000); CSX Corp. (\$12,500); CVS Health (\$10,000); Duke Energy (\$18,200); and Enterprise Holdings (\$28,250).

Others include: EQT Corp. (\$22,300); Ford Motor Co. (\$10,000); General Electric (\$10,000); Humana (\$26,000); Iron Workers District Council (\$30,600); Kentucky Distillers' Association (\$16,000); Kroger Co. (\$12,250); LifePoint Hospitals (\$11,500); Marathon Petroleum (\$39,000); Merck (\$19,000); Pfizer (\$24,000); United Food & Commercial Workers (\$14,000); United Mine Workers (\$34,500); United Services Automobile Association (\$11,500); and WellCare of Kentucky (\$13,500).

Several other lobbying employers with affiliated federal PACs that contributed less than \$10,000 to Kentucky legislative elections in the 2016 cycle include: Altria (\$8,000); American Federation of State, County & Municipal Employees (\$9,700); Brotherhood of Locomotive Engineers (\$7,500); Century Aluminum (\$4,500); Coca-Cola (\$5,250); and Comcast (\$7,500).

Also: Deloitte Consulting (\$7,000); Express Scripts (\$7,500); General Motors (\$3,750); Johnson & Johnson (\$9,000); Kentucky Beer Wholesalers/ClarkPAC (\$8,500); Kentucky Power/American Electric Power (\$8,750); Signature HealthCare/Protect Seniors Now (\$9,550); and United Parcel Service (\$7,000).

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**2017 will be a record year for lobbying spending**

Kentucky lobbying spending for 2017 will surpass \$20 million, an all-time record for spending on lobbying the General Assembly in an odd-numbered year, when the legislative session is only half as long as in even-numbered years.

This year's total will easily eclipse the previous odd-year record of \$19.3 million spent in 2015. The only other time lobbying spending has exceeded \$20 million was in 2016, when \$20.8 million was spent by businesses and organizations lobbying the General Assembly.

There are 714 businesses and organizations registered to lobby, and they employ 615 lobbyists. In 2017, those employers will spend an average of \$28,000 lobbying in Frankfort.

The vast majority - about 90 percent - of lobbying spending each year is paid as compensation to lobbyists. The other ten percent of spending goes for office rent, compensation to support staff, receptions and other events, and expenses incurred in travel to Frankfort.

In the 25 years since the ethics law was enacted and employers and lobbyists began reporting their spending, \$300 million has been spent on legislative lobbying in Kentucky.



**Two-year registration for lobbyists and employers opens on December 1, 2017**

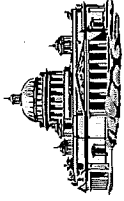
All employers' and legislative agents' registrations with the Legislative Ethics Commission will expire on December 31, 2017. Check the Ethics Commission's website <http://klec.ky.gov/> for the Initial Registration Statement for the two-year period beginning January 1, 2018 and ending on December 31, 2019. All currently registered employers and lobbyists received an email in mid-November with instructions and forms attached.

**Beginning December 1, 2017**, the Commission will accept completed registrations. Initial registration forms CANNOT be filed online.

A registration fee of \$250 must be paid by the employer of one or more legislative agents. This fee may be paid by cash, check, Visa, MasterCard, American Express, or Discover. If the registration is mailed with a check, the check should be payable to **Kentucky State Treasurer**.

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**New lobbying registrations and terminations**

Several businesses and organizations have recently registered to lobby in Kentucky. Those are: American Progressive Bag Alliance; Consumer Energy Alliance; Exxon Mobil Corp.; Guardian Healthcare Providers; Kentucky Association of Radon Professionals; Kentucky Commonwealth's Attorney Association; Kentucky Public Pension Coalition; and National Horse Carriers Association.

Employers who terminated their registration and are no longer lobbying include: Beekfield College; Council for A Strong America; and Kentucky State University.



**Ethics and lobbying news from around the U.S.A.**

**Former House Majority Leader Hammon pleads guilty to mail fraud**  
**ALABAMA -- Montgomery Advertiser -- by Brian Lyman -- September 26, 2017**

**Montgomery --** Former Alabama House Majority Leader Micky Hammon pleaded guilty to felony charges of misusing campaign funds, adding another paragraph to a novel of scandal and controversy that has consumed Alabama state government over the last three years.

The plea will mean the Decatur legislator's automatic removal from the House of Representatives. Gov. Kay Ivey will have to schedule a special election for the seat.

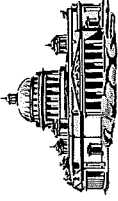
The U.S. Attorney's Office for the Middle District of Alabama said Hammon, 60 - who led the House Majority caucus until earlier this year - used money raised from political contributors to pay personal expenses. According to a release from the office, Hammon drew checks from a campaign account set up in 2013, wrote himself personal checks, and then deposited them in a separate account.

"Those who donated to Rep. Hammon's campaign expected that the campaign would use those resources lawfully and to foster an informative public debate," U.S. Attorney Louis Franklin said in a statement. "Instead, Rep. Hammon placed those funds into his own personal piggy bank."

A release from the U.S. Attorney's Office said Hammon could face up to 20 years in prison. Hammon's plea agreement says prosecutors will recommend a sentence "no greater than the bottom of the advisory guidelines range."

The plea adds another scandal to a state government reeling from them. Former House Speaker Mike Hubbard, Auburn, was convicted in June 2016 of ethics violations and forced out of office. Former Gov. Robert Bentley, caught up in a scandal involving his relationship with a former aide, pleaded guilty to two campaign finance violations in April and resigned.

Former Alabama Chief Justice Roy Moore - a candidate for Alabama's U.S. Senate seat - lost his job last September after ordering probate judges to not issue same-sex marriage licenses; and former Rep. Oliver Robinson, Birmingham, has pleaded guilty to accepting bribes to fight an attempt to list a polluted area in his district on an EPA priority list.

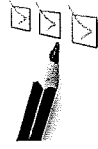


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**Ethics sessions in January**

The 2018 Current Issues ethics sessions for members of the General Assembly will be on Wednesday and Thursday, January 3 and 4. The 90-minute sessions will start at 9 a.m. on both days and will be in Room 154 of the Capitol Annex.



**Year-end spending reports due by January 16**

Employer and Legislative Agent Updated Registration Statements for the period of September 1 to December 31, 2017 are required to be filed by Tuesday, January 16, 2018.

To file forms quickly and easily, please use the Legislative Ethics Commission's website <http://klec.ky.gov/>. The File Forms Online box is on the front page of the website. If there are questions about an employer's or legislative agent's form, please contact the Commission office at (502) 573-2863.

**New registration cycle begins January 1**

January 1 is the beginning of a new two-year registration cycle, so every person, business, and organization interested in lobbying is required to register with the Commission for the period covering January 1, 2018 to December 31, 2019. After the January filing, lobbying spending reports are due by the 15<sup>th</sup> of each month from February to May, then again in September.



**New employers register to lobby**

There are 719 businesses and organizations registered to lobby the 2018 General Assembly. Those which have recently registered include: American Association of University Women; Bluegrass Institute for Public Policy Solutions; Civil War Trust; Gun Media Holdings; Kentuckians for Economic Growth; MCG Health; Tahirih Justice Center.

**Lobbying interests come and go**

Businesses and organizations which have recently registered to lobby include: Crown Cork & Seal Co.; DisposeRX, Inc.; Handy Technologies; Junior Achievement Coalition; Marijuana Policy Project, and National Association of Social Workers, Kentucky Chapter.

Employers that have terminated their registrations and are no longer lobbying include: American Society for Prevention of Cruelty to Animals; Council of State Governments; and Edumedics.



**Ethics and Lobbying News from around the U.S.A.**

**After resigning from office, ex-state lawmaker Daisy Baez pleads guilty to perjury charge**  
FLORIDA - *Miami Herald* - by David Ovalle -- November 8, 2017

One week after resigning from office, former Miami State Rep. Daisy Baez pleaded guilty to a misdemeanor perjury charge for lying about her address on a voter-registration form.

The Coral Gables legislator appeared in Miami court to formally accept the plea deal that called for her to quit and agree to serve one year of probation. Baez, who lasted less than a year in office, became the third Florida lawmaker last week to resign amid scandal during the past six months.

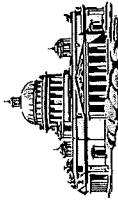
Baez declined to speak to reporters after the brief hearing. "She apologizes to the community for having mistaken her obligations in changing her voter registration early, earlier than she should have done," said her attorney Ben Kuehne. "Today, she resumes her private citizen status."

During the 2016 campaign, Baez was not actually living in the district for which she was running. Investigators believe Baez lied when she filled out a voter-registration form changing her address to a condo in the district days before the November 2016 election.

On the form, Baez claimed to reside at the Anderson Avenue condo in the district.

But her friend, Maritza Jacobson, told investigators that Baez asked if she could list her home as her residence. Baez, while signing a lease indicating she rented a room at the condo, "never moved in nor did she ever stay at their residence for a single night," according to a statement released by prosecutors.

"Deliberately swearing to false information essential to your role as a state legislator, as alleged in this case, eats at the credibility of our voting and political systems," Miami-Dade State Attorney Katherine Fernández Rundle said in a statement. "I believe that there can never be a good reason for such action."



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### Lobbying spending hits all-time high...again

Kentucky lobbying interests spent a record \$20.8 million in 2017, narrowly eclipsing the previous record of \$20.78 million, set in 2016.

The new record is surprising because the 2017 General Assembly was a short session, lasting 30 days, while the 2016 session lasted twice as long and included the enactment of the two-year state budget. In 2017, 615 lobbyists worked for 714 employers, and were paid \$18.8 million, which was more than 90 percent of all lobbying spending.

Other expenditures for lobbying include: lobbyist-paid expenses such as office rent and clerical assistance (\$846,917); employer-paid expenses such as reimbursement of lobbyist travel and professional or technical assistance (\$684,833), and employer and lobbyist sponsorship of receptions, meals, and events (\$209,766).

The two top spending lobbying organizations in 2017 are the same as 2016, but they both spent considerably more in 2017 than the year before. **Kentucky Chamber of Commerce** spent \$338,783, up from \$281,378 in 2016. Likewise, **Altria (Philip Morris and U.S. Smokeless Tobacco Co.)** spent \$312,196, up from \$274,358 in the prior year.

The other top 10 spenders include three new additions from the prior year, and several changing places on the list. The **Ky. Justice Association** (\$177,419) moved into third place, while the **Ky. Hospital Association** (\$167,861) dropped a spot after spending \$43,000 less than in 2016. **Anthem Inc.** (\$157,000) moved into the top 10, spending almost \$30,000 more than 2016, followed by **Marsy's Law for All** (\$152,385); **Ky. League of Cities** (\$147,049, which is \$36,000 more than 2016); **Ky. Retail Federation** (\$140,147, down from \$204,124 the prior year); **Molina Healthcare** (\$129,600); and **U.S. Justice Action Network** (\$120,604 in their first year of lobbying).

The rest of the top 20 spenders include: **Humana** (\$116,968); **AT&T** (\$111,525); **Ky. Medical Association** (\$109,858); **EQT Corp.** (\$103,073); **Home Builders Association of Ky.** (\$100,377); **Ky. Farm Bureau Federation** (\$96,739), down \$43,000 from 2016; **LifePoint Hospitals** (\$99,253); **Greater Louisville, Inc.** (\$95,344); **United Parcel Service** (\$91,369); and **Commonwealth Credit Union** (\$90,507 in their first year of lobbying).



### Special election candidate disclosures are available

In February, there are two special elections for seats in the House of Representatives. The four candidates in the elections have filed financial disclosure statements, and those are posted on the KLEC website: <https://klec.ky.gov/Reports/Pages/Legislators-and-Candidates.aspx>

The election in the 49th House District (Bullitt County) is February 20, and in the 89th House District (Jackson, Laurel, and Madison Counties), the election is February 27.

### Newly-registered lobbying employers

Businesses and organizations which have recently registered to lobby include: **American Childhood Cancer Organization**; **American Retirement Association**; **Blue Equity**; **Century Link**; **Crime & Justice Institute**; **First Cash**; **GZLYTICS**; **Heaven Hill Distilleries**; **Kentucky Chapter of the American College of Cardiology**; **Kentucky Database Initiative**; **Kentucky Health Department Association**; **Oldcastle Materials**; **OneMain Holdings**; **Owensboro Grain**; **Passport Foundation**; **Pathfinder Capital**; **Pegasus Institute**; **Point Pleasant Fire Protection District**; **Simple Contacts**; **Speedwash Car Wash/Fern Creek**; and **Warber Parker**.



### Ethics & Lobbying News from around the U.S.

#### As calls grow for Oaks to resign, Senate president refers case to Ethics Committee

MARYLAND - *The Baltimore Sun* - by Luke Broadwater - January 9, 2018

Annapolis - As more politicians called for state Sen. Nathaniel T. Oaks to resign, Maryland Senate President Thomas Mike Miller said he plans to refer federal charges against Oaks to the General Assembly's Ethics Committee — a move that could be the first step in Oaks' removal.

Many legislators are calling on Oaks to resign amid new court filings in which the FBI contends he confessed to taking bribes.

Oaks is accused of taking \$15,300 in cash payments from an FBI source he believed to be a wealthy out-of-town businessman.

In addition to taking cash payments, Oaks is charged with obstruction of justice after allegedly becoming a government cooperator and then tipping off the target of an investigation.

Federal prosecutors said Oaks confessed to taking money and upending the second investigation, charges Oaks is now contesting as he embarks on his 30th legislative session.

Many legislators said they would wait to see how the process plays out before calling on Oaks to resign. House Speaker Michael Busch, House Appropriations chairwoman Maggie McIntosh, state Sen. Nathaniel McFadden and others said Oaks should decide for himself whether he should resign.

"There is a process," said Del. Cheryl D. Glenn. "When you are elected to office, nobody can force you to step down. You can resign on your own, but it's not something you can be forced to do."

Ethics committee investigations can result in a vote of the Senate to remove a sitting senator, Miller's staff said. If the committee's investigation decides Oaks should be removed, it would then be up to the entire Senate to vote him out.

Federal documents released in court last week allege that Oaks confessed to the bribery. The government filing alleged that someone with ties to the bail bonds industry told the FBI that he had paid Oaks and another undisclosed elected official thousands of dollars over the years.

## ETHICS REPORTER February, 2018

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### Cigarette tax, solar policy drive lobbying spending

Immediately following a year of record lobbying spending, Kentucky businesses and organizations spent an all-time high of \$2.6 million on lobbying in the first portion of the 2018 General Assembly session.

After spending \$20.8 million in 2017, 684 employers and 596 lobbyists started 2018 by spending 20 percent more than they spent in the same period at the beginning of last year's session.

The top spenders during the first month of this year's session were: **Foundation for a Healthy Kentucky**, which spent \$100,240, with 98 percent of that amount spent on advertising in favor of increasing the tax on tobacco products; **Kentucky Chamber of Commerce**, which spent \$55,387, a 42 percent increase over the same period in 2016, the most recent session in an even-numbered year; and **Altria**, which spent \$44,643, also a 42 percent increase over 2016. Altria owns cigarette maker **Philip Morris**, cigar maker **John Middleton**, and **U.S. Smokeless Tobacco**.

Other leading spenders early in the 2018 session include: **Baxter Healthcare** (\$35,000); **Kentucky Hospital Association** (\$32,559); and **Consumer Energy Alliance** (\$25,051), a Houston-based lobbying group that includes **Big Rivers Electric**, **East Kentucky Power Cooperative**; **Kentucky Chamber of Commerce**, **Kentucky Association of Electric Cooperatives**, **Kentucky Oil & Gas Association**, and **Louisville Gas and Electric & Kentucky Utilities**, and is lobbying on HB 227 that would reduce credits that utilities provide to future solar panel owners for extra electricity they produce.

The rest of the top 10 lobbying spenders are: **Warby Parker** (\$22,500); **Sullivan University** (\$22,332); **Kentucky Association of Electric Cooperatives** (\$22,251); and **Big Rivers Electric** (\$19,149).

Rounding out the list of top 20 spenders are: **Kentucky Medical Association** (\$18,763); **Greater Louisville, Inc.** (\$17,700); **Wine Institute** (\$17,500); **Kentucky Justice Association** (\$16,832); **Kentucky Association of Health Care Facilities** (\$15,731); **Kentucky Bankers Association** (\$15,182); **Anthem, Inc.** (\$15,000); **Kentucky League of Cities** (\$14,893); **Kentucky Retail Federation** (\$14,561); and **Kentucky State AFL-CIO** (\$13,500).

### Newly-registered lobbying employers

Businesses and organizations which have recently registered to lobby include: **1800Contacts**, a contact lens supplier; **ADVOCATESincDC**, a trade group for pharmacy benefit managers; **American Massage Therapy Association**, lobbying on changes to regulatory boards;

1

**American Society of Landscape Architects**; **Amplify Education**, a provider of digital products to schools; and **CompTIA**, Computing Technology Industry Association, a trade association lobbying on HB 59 and HCR 93.

Other new registrants are: **Diamond Game**, a California-based provider of lottery products; **Dish Network**; **District Judges for a Better Commonwealth**; **Lexington Public Library Foundation**; **National Taxpayers Union**, lobbying on House Bill 191; **Ohio Valley ISRI**, lobbying on issues related to recycling; **Petersen International Underwriters**, which underwrites high limit disability, medical, and life insurance plans; **Pet Food Institute**, trade association for pet food manufacturers; **Starr's Liquor**, lobbying to maintain the current retail quota license system; **Synergy Rehabilitation**, lobbying on SB 121, HB 126, and HB 323; and **TransparentBusiness**, lobbying on contracting and communications technology.



### Ethics & Lobbying News from around the U.S.

#### The Frat House of Representatives

WASHINGTON, D.C. - *Politico* -- by John Bresnahan and Rachel Bade -- February 22, 2018

Naked photos. Infidelity. Secret payoffs. Pants-less octogenarians. And the infamous "Bros Caucus."

Welcome to the Frat House of Representatives.

The past year in Congress has been a lowlight reel of nonstop unethical — and, in some cases, potentially illegal — behavior. Three House members resigned over alleged misconduct. Four others announced they won't seek reelection, an option they took to head off party leaders forcing them out.

Just last week, *Politico* reported that Rep. Mike Turner (Ohio) is threatening to question Rep. Darrell Issa (Calif.) in his divorce case. Turner wants to know about Issa's relationship with Turner's estranged wife, though Issa has denied any improper behavior.

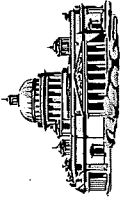
Incidents like these have become seemingly routine, which itself shows how far Congress' ethical standards have fallen of late.

"It's been a soap opera, but this adds another chapter," Rep. Ted Yoho (Fla.) said of the Turner-Issa drama. Yoho said he's sick of the scandals that distract from legislative business.

"Infidelity and things like that aren't felonies, but it's a lapse of character," he said. "And I think we have plenty of people you have seen in the news who show a lack of character and a lack of ethics."

"This shouldn't be normal, and it's starting to feel like it is," added Rep. John Larson (Conn.). The Senate hasn't been immune, but the House of Representatives — the people's House — has been home to the most outlandish behavior.

2



## ETHICS REPORTER March, 2018

Kentucky Legislative Ethics Commission  
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### Lobbying spending breaks two-month record

Led by vigorous lobbying for and against a tobacco tax increase, lobbying spending in the first two months of the 2018 General Assembly hit a record high of \$5.6 million.

Opposing the tax increase, tobacco giant Altria spent \$156,651 to lead all spenders after the session's second month, while the Foundation for a Healthy Kentucky was next on the list, spending \$107,336 lobbying in support of a higher tobacco tax. In two months, the two battling organizations spent a combined \$264,000 on legislative lobbying.

The Kentucky Chamber of Commerce is next on the list after spending \$105,285. LG&E and KU Energy jumped into the top five, spending \$101,939, including \$59,884 on advertising in support of legislation to cut payments to utility customers who generate excess electricity and sell it to utility companies. Other top spenders lobbying on the same bill include: Kentucky Association of Electric Cooperatives (\$51,167); Big Rivers Electric (\$36,801); and Consumer Energy Alliance (\$28,087).

At this point in the legislative session, the amounts spent on lobbying far exceeded the amounts spent in 2016 and 2017, and put 2018 on track to be another record-breaking year for lobbying. As the session moved past the halfway mark, the number of businesses, organizations, and people registered to lobby increased to 709 employers (up from 684 in the previous report), and 612 lobbyists (up from 596).

Other top spenders during the session's first two months include: Baxter Healthcare (\$70,000); Kentucky Hospital Association (\$68,149); Sullivan University System (\$43,332); Marsy's Law for All (\$40,730); Kentucky Justice Association (\$39,151); Kentucky Medical Association (\$35,843); Anthem, Inc. (\$34,064); and Kentucky League of Cities (\$33,835).

The rest of the top 20 spenders are: Greater Louisville, Inc. (\$33,700); Kentucky Bankers Association (\$30,364); Kentucky Retail Federation (\$30,242); 1800Contacts (\$30,033); and Kentucky Association of Healthcare Facilities (\$29,420).

### George Troutman retires from Ethics Commission

George Troutman of Louisville, who served on the Legislative Ethics Commission for 24 years, retired from the Commission on March 23.

Troutman, a Certified Public Accountant, was appointed to the Commission in 1994, the year after the Commission was established in the wake of the BOPTR0T scandal, and he was reappointed five times. He chaired the Commission for 17 years.

### Newly-registered lobbying employers

Businesses and organizations which have recently registered to lobby include: AARP Government Affairs; American Federation for Children; Association for Accessible Medicines; Bardenwerper, Talbott & Roberts, PLLC; Chambers Medical Group; Commonwealth Chiropractic Alliance; Enclara Pharmacia; Gilead Sciences, Inc.; Kentucky Cares; Key Assets Kentucky; MAGNA Pharmaceuticals; Monarch Private Capital; National Community Pharmacists Association; Opternative; Otsuka America Pharmaceutical; Quicken Loans; and Thomas D. Clark Foundation. One organization terminated its registration and is no longer lobbying: SAS Institute Inc., a North Carolina-based developer of analytics software.



### Ethics & Lobbying News from around the U.S.

#### Arkansas official quits after bribery testimony ARKANSAS - Associated Press - March 19, 2018

**Pine Bluff** - A former Arkansas lawmaker who became Jefferson County's chief administrative officer after leaving the Legislature will resign after a federal prosecutor revealed he had received \$100,000 in bribes while serving in state government, according to a newspaper report. The *Pine Bluff Commercial* reported that County Judge Henry "Hank" Wilkins IV sent a resignation letter to the governor.

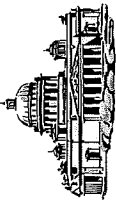
"This letter shall serve as notice of my intent to resign the Office of County Judge of Jefferson County, Arkansas," Wilkins wrote to the governor. "I am profoundly sorry that my own actions make this resignation necessary."

The *Arkansas Democrat-Gazette* reported last week that Assistant U.S. Attorney Steven Mohlenrich said in a Missouri courtroom that Wilkins admitted his Pine Bluff church had taken money from indicted lobbyist Milton Russell Cranford while Wilkins was in the Arkansas Legislature.

Wilkins has not been charged with a crime. Cranford has been charged in Missouri with public corruption. In exchange for the contributions, authorities said, Cranford counted on Wilkins' support while he served in the state Legislature from 2011 to 2015.

#### Dan Lipinski Raked in Rail Industry Campaign Dollars While Delaying Safety Standards ILLINOIS -- *The Intercept* - by Lee Fang - March 14, 2018

Chicago-area Congressman Dan Lipinski had a significant cash advantage over his rival in a recent primary election. The war chest is thanks, in significant part, to Lipinski's friendly relationship with the railroad industry.



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### Lobbying spending breaks two-month record

Vigorous lobbying on a tobacco tax, energy, and health-care issues has pushed Kentucky lobbying spending to an all-time high of \$8.4 million during the first three months of the General Assembly session. That total is 17 percent higher than last year's spending at the same point, and indicates that 2018 will be the third consecutive year of record lobbying spending.

The top spender in the first quarter of 2018 is Altria, one of the world's largest producers and marketers of tobacco products, which spent heavily on its lobbying effort in opposition to an increased tax on tobacco. The parent company of Philip Morris USA spent \$332,000 through the first three months of the session. That's over three times more than the \$94,468 that Altria spent in the same three months of 2016, the most recent 60-day session.

Kentucky Chamber of Commerce, which supported a cigarette tax increase, was second on the lobbying list, spending \$159,527. Foundation for a Healthy Kentucky, another supporter of the tax hike, was the fourth-leading lobbying spender, at \$110,766, while Kentucky Hospital Association, which supported a health care reimbursement assessment on tobacco products and changes in the Medicaid program, spent \$100,744 and was the fifth-leading spender.

IG&E and KU Energy is third on the spending list at \$116,858, while lobbying in support of HB 227, a bill to cut payments to utility customers who generate excess electricity and sell it to utility companies, and a resolution urging Congress to establish a "moratorium on closing coal-fired electric plants and eliminating all subsidies for renewable energy sources." In addition to the Kentucky Chamber of Commerce, other top spenders who reported lobbying on HB 227 were: Kentucky Association of Electric Cooperatives (\$71,018); Greater Louisville, Inc. (\$53,750); Big Rivers Electric (\$51,025); and Kentucky Farm Bureau Federation (\$46,773).

1-800 Contacts, a company that conducts eye exams and sells contact lenses through its website, spent \$70,906 in opposition to HB 191. That bill was supported by optometrists, but opposed by ophthalmologists and supporters of telemedicine. Other top 10 spenders are: Baxter Healthcare (\$70,000); Sullivan University (\$64,332); and Kentucky League of Cities (\$61,729).

The rest of the top 20 lobbying spenders include: Kentucky Education Association (\$59,156); Kentucky Justice Association (\$59,024); Kentucky Medical Association (\$53,919); Kentucky Retail Federation (\$53,686); Anthem, Inc. (\$53,064); Marsy's Law for All (\$47,480); and Kentucky Bankers Association (\$45,546).

### Candidate disclosures are available

With three exceptions, all candidates who are running for the General Assembly in the May primary have filed financial disclosure statements, and those statements are posted on the Ethics Commission's website: <https://klec.ky.gov/Reports/Pages/Legislators-and-Candidates.aspx>

### New lobbying registrations and terminations

Businesses and organizations which have recently registered to lobby include: American Automobile Association; Americans United for Separation of Church and State; Coin Laundry Association; Corizon Health; Crowe Horwath; CTIA - The Wireless Association; Emerald Energy and Exploration Land Co.; Kentucky Cannabis Co.; Kentucky Section - PGA of America; Sage Therapeutics; Track Group; and Walker Company.

Terminated registrations for those no longer lobbying include: Crime & Justice Institute at Community Resources for Justice; Hellervik Oilfield Technologies; and Perdue.



### Ethics News from around the U.S.A.

#### Mulvaney backlash may drive political money changes

WASHINGTON, D.C. - Roll Call - by Kate Ackley -- April 26, 2018

Advocates for tougher campaign finance regulations say comments from Mick Mulvaney seeming to describe a pay-to-play style of politics on Capitol Hill will boost their long-term effort to overhaul the rules and could benefit like-minded candidates in the midterm elections.

Mulvaney, the White House budget chief and acting director of the Consumer Financial Protection Bureau, told a group of bankers that when he served in Congress, his office refused meetings with lobbyists who did not provide political contributions. Mulvaney represented a South Carolina district from January 2011 to February 2017, when he became director of the Office of Management and Budget.

"We had a hierarchy in my office, in Congress. If you were a lobbyist who never gave us money, I didn't talk to you," Mulvaney said, according to a transcript of his speech to the American Bankers Association provided by the CFPPB.

"If you were a lobbyist who gave us money, I might talk to you. If you came from back home and sat in my lobby, I talk to you without exception, regardless of the financial contributions," he continued.

His words depict a portrait of political donors buying potential access to lawmakers that campaign finance watchdogs and their allied lawmakers rarely see in public. Ohio Sen. Sherrod Brown, a member of the Senate Banking Committee, called for Mulvaney to resign, as have such watchdog groups as Public Citizen, End Citizens United and Every Voice.

More broadly, they are seizing on the dustup to advance both long-shot legislative changes as well as voluntary ones, such as lawmakers refusing donations from political action committees or registered lobbyists.

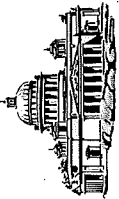
"I don't think people should be casting stones or singling out any individual, but we should be asking, 'What are the reforms we can undertake?' so that good people who come to serve the country aren't co-opted by lobbyists and interest groups," said Rep. Ro Khanna, who is drafting legislation that would provide up to \$50 per election cycle in taxpayer money to Americans to contribute to federal campaigns.



## ETHICS REPORTER May, 2018

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### Lobbying spending hits all-time high in session

The final lobbying spending numbers for the 2018 General Assembly are in, and spending hit an all-time high of \$10.67 million, putting Kentucky on track for a record-breaking year in which more than \$22 million will be spent on lobbying.

The lobbying spending reports filed by a wide array of businesses and organizations give another clear picture of the increasing importance of public policy to the groups that lobby the General Assembly. This year's spending total for the session is 11 percent higher than 2016 and 19 percent higher than 2017, and those were record years for even- and odd-year lobbying spending.

The 2018 surge in lobbying spending was led by several businesses which upped their lobbying efforts from prior sessions. For example, while fighting a proposed increase in the tobacco tax, **Altria (Philip Morris)**, spent \$379,760, which is more than twice as much as any other business spent, and about three times more than the average spent by **Altria** in each of the previous four legislative sessions.

Likewise, the second-leading spender, the **Kentucky Chamber of Commerce**, spent \$187,103, or 29 percent more than the business group's average in the past four sessions. Like the **Chamber**, the **Foundation for a Healthy Kentucky** supported a tobacco tax hike, and was the fifth-leading spender, at \$110,766, which is 30 times more than the **Foundation** spent in all of 2017.

Third on the list is **LG&E & KU Energy**, which spent \$126,858, mostly in support of HB 227, a bill to cut payments to utility customers who generate excess electricity via solar power, and sell it to utility companies. That four-month total is more than twice as much as **LG&E** has ever spent in a full 12-month period of lobbying.

In addition to **LG&E** and the **Kentucky Chamber**, other top-spending businesses listed HB 227 on their lobbying reports. Those include **Kentucky Association of Electric Cooperatives** (\$79,376); **Greater Louisville, Inc.** (\$66,849); **Big Rivers Electric Corporation** (\$54,305); and **Kentucky Coal Association** (\$50,954).

The **KY Hospital Association** finished in the top five at \$111,696, which is 12.5 percent more than the average spent by the group in the last four sessions. Other top spenders include: **1-800 Contacts** (\$96,347); **KY League of Cities** (\$77,203); **Anthem, Inc.** (\$72,064); **KY Education Association** (\$71,968); **Baxter Healthcare** (\$70,000); **KY Justice Association** (\$67,060); **KY Medical Association** (\$65,308); **KY Retail Federation** (\$62,535); **KY Bankers Association** (\$60,728); **Marsy's Law for All** (\$54,240); **U.S. Justice Action Network** (\$53,500); **CSX** (\$52,864); **KY Farm Bureau Federation** (\$52,574); **KY Association of Healthcare Facilities** (\$51,707); and **Pathfinder Capital** (\$50,000).

### Lobbying terminations and registrations

Businesses and organizations which terminated lobbying registration after the end of the 2018 General Assembly are:

Advance America Cash Advance Centers, Inc.; American Progressive Bag Alliance; American Retirement Association; Americans United for Separation of Church & State; Crown Cork & Seal Co.; Hollenbach-Oakley, LLC; Oldham Reserve Partners, LLC; Opternative; Petersen International Underwriters; QC Holdings, Inc.; Simple Contacts; SpeedWash Car Wash - Fern Creek; Starr's Liquor; Thomas D. Clark Foundation, Inc.; and Warby Parker.

Newly registered employers are: Lyft, Inc. and Organization for International Investment.



### Ethics News from around the U.S.A.

#### **Wilkins, former Arkansas legislator, pleads guilty to bribery** **ARKANSAS - Arkansas Business** -- by Jan Cottingham -- April 30, 2018

Henry "Hank" Wilkins IV of Pine Bluff, a former Arkansas legislator and the Jefferson County judge until his sudden resignation last month, pleaded guilty in federal court to conspiring to accept more than \$80,000 in bribes.

Wilkins, who served as both a state senator and state representative, took the bribes in exchange for "influencing Arkansas state legislation and transactions," including steering about \$245,000 in state funds to his co-conspirators, according to a press release from the U.S. Attorney's office in Little Rock.

Wilkins pleaded guilty to devising a scheme to disguise the bribes as donations to **St. James United Methodist Church** in Pine Bluff, where he was pastor.

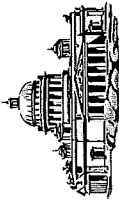
"Public corruption destroys the trust that is necessary for our republic," U.S. Attorney Cody Hiland said in the release. "In this case, the citizens of Arkansas were betrayed by Mr. Wilkins, and elected officials who abuse their position for personal gain must be held accountable for that violation of the public trust."

Hiland announced Wilkins' guilty plea after a hearing before Chief U.S. District Judge Brian S. Miller. Wilkins pleaded guilty to one count of conspiracy to commit honest services fraud and bribery.

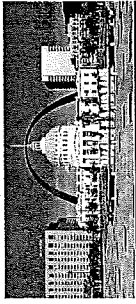
Wilkins, 64, announced his resignation on March 19, three days after federal prosecutors in Missouri said he had taken bribes from Rusty Cranford of Rogers while Wilkins was a state legislator. Wilkins represented State House District 17 from 1999-2001 and from 2011-15, and State Senate District 5 from 2001-11.

# ETHICS REPORTER

## June, 2018



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### *Ethics Code applies at summer conferences in St. Louis, Los Angeles, and New Orleans*

Kentucky's Code of Legislative Ethics applies to legislators, lobbyists, and employers of lobbyists who attend summer legislative conferences, or who sponsor events in conjunction with those conferences.

Legislators interested in attending an out-of-state meeting are required to obtain 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 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. These include expenses for promotional items, and conference registration and travel expenses.

The Code of Legislative Ethics prohibits lobbyists and employers from buying food and beverages for individual legislators, and prohibits lobbyists and employers from providing legislators with out-of-state lodging or transportation from Kentucky to an out-of-state location.

Legislative conferences this summer include:

- **Southern Legislative Conference Annual Meeting:** July 21-July 25, 2018 in St. Louis, Missouri at the Hyatt Regency St. Louis at The Arch.
- **National Conference of State Legislatures Legislative Summit:** July 30 - August 2, 2018 in Los Angeles, California at the Los Angeles Convention Center.
- **American Legislative Exchange Council Annual Meeting:** August 8-10, 2018 in New Orleans, Louisiana at the Hilton New Orleans Riverside.

### *Opinions help guide compliance with ethics law*

The Legislative Ethics Commission frequently offers guidance to help legislators, candidates, lobbyists, and their employers comply with the Code of Legislative Ethics. In recent opinions, the Commission staff gave the following advice:

- The ethics code prohibits a lobbyist from purchasing a ticket to a campaign fundraising dinner for a legislative candidate.

- With prior approval from the presiding officer of the chamber in which a legislator serves, a legislator may accept out-of-state travel expenses from an organization, as long as that organization does not employ a lobbyist.

- The ethics code allows a legislator to serve on a university's alumni council because the council is an advisory group with no official authority over the operation of the school.

- **Kentucky Speedway** can invite a caucus of legislators to a race day event at the **Speedway**, and furnish food, beverages, and the cost of attendance. If the **Speedway** is registered as an employer of lobbyists, all expenditures on legislators must be publicly reported. If the **Speedway** is not registered to lobby, no representative of the **Speedway** or its owner may speak to any member of the General Assembly about "any matter pending before the General Assembly or any of its interim or statutory committees."

- The ethics code permits an employer of lobbyists to provide local transportation to an event held in conjunction with the meeting of a multistate organization of state legislatures, and the employer is required to report the cost of that transportation.

### *Three new employers lobbying in Kentucky*

Three businesses recently registered with the Legislative Ethics Commission to lobby in Kentucky. They are: **Injured Workers Pharmacy**, a Massachusetts-based home delivery pharmacy service working as an advocate for injured individuals; **Kologik**, a Louisiana-based software developer specializing in products for law enforcement; and **Synergy Diagnostic Laboratory**, a Florida-based drug testing lab.

The only organization to recently terminate its lobbying registration is the **Washington Center for Internships and Academic Seminars**, which provides internships and seminars to students from hundreds of colleges and universities and young professionals from the U.S. and other nations.



### *Ethics news from across the U.S.*

#### *Former State Sen. Jake Files Sentenced to 18 Months in Prison* ARKANSAS - *Arkansas Business* - June 18, 2008

Former State Sen. Jake Files, Fort Smith, was sentenced to 18 months in federal prison for wire fraud and money laundering in connection with money routed to him from the state General Improvement Fund and an unrelated charge of bank fraud.

Files, 46, also was ordered to pay \$83,904 in restitution and will serve three years of probation after he's released from prison, according to a news release from U.S. Attorney for the Western District of Arkansas Duane "Dak" Kees.