



Compliance Notes – Vol. 1, Issue 13

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RECENT LOBBYING, ETHICS & CAMPAIGN FINANCE UPDATES

We read the news, cut through the noise, and provide you the notes.

Welcome to *Compliance Notes* from Nossaman's **Government Relations & Regulation Group** – a periodic digest of the headlines, statutory and regulatory changes, and court cases involving campaign finance, lobbying compliance, election law, and government ethics issues at the federal, state, and local level.

Your attorneys, policy advisors, and compliance consultants are available to discuss any questions or how specific issues may impact your business.

If there is a particular subject or jurisdiction you'd like to see covered, please let us know.

Until then, please enjoy this installment of ***Compliance Notes***. If you would like to have these updates delivered directly to your in-box, please click below to subscribe to our Government Relations & Regulation mailing list.

Campaign Finance & Lobbying Compliance

California: The Fair Political Practices Commission has opened an investigation into Michael Weinstein's AIDS Healthcare Foundation (AHF) in response to a complaint filed by California YIMBY. According to the complaint, AHF allegedly failed to report its spending on radio and social media advertisements, direct mail pieces, a website, and other activities in connection with AHF's opposition to Senate Bill 50. Note: AHF is the sponsor of a committee in support of Proposition 21, a rent control measure on the November 3rd ballot. (Katy Grimes, *California Globe*)

Kentucky: Jerry Lundergan was sentenced to 21 months in prison followed by two years of supervised release and ordered to pay a fine of \$150,000 for orchestrating a multi-year scheme to funnel more than \$200,000 in corporate contributions to his daughter's 2014 US Senate campaign committee. (*The Sentinel Echo*)

Elections

Georgia: Election officials in Fulton County resumed accepting absentee ballot requests submitted by email, backtracking from a decision to require absentee applications by mail, fax or in person. (Mark Niese and Ben Brasch, *The Atlanta Journal-Constitution*)

Maine: Maine will be the first state to ever use ranked-choice voting in a presidential election in November after Secretary of State Matt Dunlap ruled that a people's veto effort did not have enough signatures to qualify for the ballot. According to Dunlap's office, the Maine Republican Party gathered just over 61,000 signatures, which was roughly 2,000 shy of what was needed to get the challenge on the ballot. The effort would have brought Maine's third referendum on ranked-choice voting in four years. (Caitlin Andrews, *Bangor Daily News*)

Michigan: The Michigan appeals court denied a request to require the counting of absentee ballots received after the time polls close on Election Day, ruling that the deadline remains intact despite voters' approval of a constitutional amendment that expanded mail-in voting. The court, in a 2-1 decision, said it is up to lawmakers to change the deadline that has been in place for at least 91 years. (David Eggert, *Associated Press*)

Mississippi: Magnolia State voters still must either show up to their polling place in November or swear to one of several excuses to obtain a mail-in ballot. Mississippi is one of a small handful of states still requiring an excuse to obtain an absentee ballot. (Luke Ramseth, *Mississippi Clarion Ledger*)

New Hampshire: Gov. Chris Sununu vetoed a bill to expand absentee voting, which would have, among other things, allowed for no-excuse absentee voting and online voter registration starting next year. In his veto message, Sununu noted that the New Hampshire Secretary of State has already said people can vote absentee this year if they have concerns about COVID-19. (Josh Rogers and Casey McDermott, *NHPR*)

Government Ethics

Ivanka Trump is facing questions about whether she violated an ethics rule that prohibits executive branch employees from using their position for the "endorsement of any product, service or enterprise" when she tweeted an image of herself holding a can of Goya black beans, along with a caption featuring the company's slogan, "If it's Goya, it has to be good," in both English and Spanish. The White House said that Ivanka's tweet was merely a reflection of her personal preference. (William Cummings and David Jackson, *USA TODAY*)

Ohio: In connection with a \$60 million bribery case, federal officials arrested Ohio House Speaker Larry Householder; Neil Clark from Grant Street Consultants in Columbus; former Ohio Republican Party Chair and consultant Matthew Borges; Juan Cespedes, co-founder of The Oxley Group in Columbus; and Jeffrey Longstreth, adviser to Householder. (Sharon Coolidge, Dan Horn, and Jessie Balmert, *Cincinnati Enquirer*)

Nonprofits

American Action Network has asked the Justice Department to help fend off a lawsuit from Citizens for Responsibility and Ethics in Washington (CREW) attempting to force the disclosure of its donors. CREW says the organization is operating as a political committee and therefore must disclose its donor list under the Federal Election Act of 1971. The Act requires reporting and other measures for groups that spend money to influence elections. The Federal Election Commission has refused to pursue violations against American Action Network, so CREW used a unique provision of federal campaign finance law to take the group to court in the District of Columbia. (Alex Swoyer, *The Washington Times*)

New York: The Albany State Supreme Court ruled that the Joint Commission on Public Ethics (JCOPE) has the authority to investigate potentially illegal donations given to Mayor Bill de Blasio's now-shuttered "Campaign for One New York" charity. Last year, JCOPE subpoenaed a private company, Broadway Stages, for its communications with de Blasio and lobbyist James Capalino. In response, Broadway Stages filed a lawsuit seeking to quash the subpoena, claiming JCOPE lacks authority to investigate individuals who give gifts and is limited to regulating recipient officials. (Bernadette Hogan and Carl Campanile, *New York Post*)

Pay-to-Play

Illinois: In connection with what federal prosecutors are calling a brazen, years-long scheme, Commonwealth Edison Company (ComEd) was charged in federal court with bribery and is expected to pay a \$200 million fine. The power company admitted to using lobbyists to shower jobs, contracts and payoffs all over Springfield for the sole purpose of gaining favor with Illinois House Speaker Mike Madigan. Gov. J.B. Pritzker said Madigan should resign if the allegations are true. The investigation is still ongoing. (Jon Seidel, Tim Novak, Tina Sfondeles, and Robert Herguth, *Chicago Sun Times*)

Signature Gathering

Arkansas: Arkansas Secretary of State John Thurston announced the petitions for three proposed constitutional amendments are insufficient to qualify for the November 3rd general election ballot. Thurston said there may be other as-yet undetermined reasons the petitions may not be sufficient, but his office is barred under state law from counting the submitted signatures because the committees included only a certification that background checks on the paid canvassers were "acquired," as opposed to certifying that the canvassers had "passed" criminal background checks. (Michael R. Wickline, *Northwest Arkansas Democrat Gazette*)

Idaho: The state of Idaho filed an emergency application for a stay with the U.S. Supreme Court to stop Reclaim Idaho from gathering signatures online, as the group tries to get its initiative on November's ballot. Two federal courts have sided with Reclaim Idaho, giving the green light for online signature gathering. The state has pledged to take the issue to the Supreme Court if necessary. (Kevin Richert, *Idaho Education News*)

State & Local Ballot Measures

Wallowa County: Move Oregon's Border for a Greater Idaho, a group that seeks to take eastern and rural counties out of Oregon and put them into Idaho, announced volunteers have collected enough signatures to place the initiative on the November ballot in Wallowa County, Oregon. (Valerie Richardson, *The Washington Times*)

Oregon: Attorney General Ellen Rosenblum filed an appeal asking the Ninth Circuit Court of Appeals to step in to prevent Initiative Petition 57 from qualifying for the November ballot. A federal judge ordered Secretary of State Bev Clarno to either accept the signatures the People Not Politicians campaign gathered through its largely mail-in collection effort, or set a lower threshold of 58,789 valid signatures (down from 149,360). Clarno chose the latter option and issued a statement that she would not appeal the decision. Rosenblum intervened, stating that “any final decision made in this case could have long reaching impacts for the state and on future ballot initiatives.” Initiative Petition 57 would transfer the once-a-decade job of redrawing Oregon’s legislative and congressional district lines from the state Legislature to a new 12-member commission. (Hillary Borrud, *The Oregonian/OregonLive*)