



# Compliance Notes - Vol. 1, Issue 18

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## RECENT LOBBYING, ETHICS & CAMPAIGN FINANCE UPDATES

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

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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**

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The D.C. Circuit Court of Appeals upheld a lower court ruling that found the Federal Election Commission's donor-disclosure regulations regarding groups that spend money on independent expenditures were too narrowly drawn to comply with the disclosures Congress mandated in the Federal Election Campaign Act. (Josh Gerstein, *Politico*)

**California:** The Fair Political Practices Commission (FPPC) approved a settlement between Los Angeles County and the Howard Jarvis Taxpayers Association (HJTA), requiring the county to pay \$600,000 to

California, \$600,000 to HJTA and \$150,000 in attorney's fees. In 2017, the Los Angeles County Board of Supervisors agreed to pay \$1 million to Public Finance Strategies for research, radio, television and online ads to advocate for a one quarter-cent sales tax voters approved in 2017 to help solve the homeless crisis. The FPPC found that the County's use of taxpayer funds to support Measure H qualified it as an "independent expenditure committee," and the committee failed to make public disclosures about money it spent. Los Angeles County denies any wrongdoing. (Chris Haire, *Long Beach Press-Telegram*)

**North Carolina:** State Rep. David Lewis (R) has resigned from his seat after pleading guilty to two federal charges for making false statements to a bank and failing to file his 2018 income tax return. The court documents state that Lewis set up a scheme to illegally convert thousands of dollars, that were donated to his campaign committee, for his personal use. While he had reported that his campaign was moving \$50,000 to the North Carolina Republican Party, prosecutors say he actually deposited the money into a bank account titled "NC GOP Inc." which he himself opened in 2018. (Dianne Gallagher and Giovanna Van Leeuwen, *CNN*)

**Oregon:** The Taxpayers Association of Oregon filed an amicus brief urging a state circuit court to strike down Multnomah County's limits on campaign contributions, arguing the low limits are unconstitutional and unconstitutionally restrict a candidate's personal contributions to his or her own campaign. (Institute for Free Speech, Press Release)

## Elections

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**Maine:** Federal Judge Lance Walker denied a request by opponents of ranked-choice voting (RCV) to block RCV use in the U.S. Senate election this November. The lawsuit contends the voting system disenfranchises old and uneducated voters who don't understand how it works and therefore select only a first choice without ranking the rest of the candidates. Walker says RCV is constitutional; he made the same determination in 2016. (Ed Morin, *Maine Public Radio*)

**Michigan:** The recorded ballot counts didn't match the number of ballots cast in 72% of Detroit's absentee voting precincts. Without an explanation from Detroit election workers for the mismatches, the Wayne County Board of Canvassers requested Secretary of State Jocelyn Benson's office examine the "training and processes" used in Detroit's Aug. 4 primary. (Craig Mauger, *The Detroit News*)

**New Jersey:** A New Jersey judge ruled that the election in Paterson, N.J., had been irreversibly tainted and ordered a new local election to be held in November to settle the race for the City Council seat. In the days before New Jersey's third-largest city held municipal elections in May entirely by mail, postal workers became suspicious when they found hundreds of ballots bundled together. The discovery triggered an investigation that led to charges of voter fraud against two local elected leaders and resulted in nearly 20 percent of the ballots being rejected. (Troy Closson, *New York Times*)

**New York:** Gov. Andrew M. Cuomo signed a bill allowing voters to request an absentee ballot if they cannot show up at a polling location because of the risk of contracting or spreading an illness, effectively permitting the state's more than 12 million registered voters to vote by mail. (Rebecca Klar, *The Hill*)

## Government Ethics

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**Arizona:** Frank Stevens, the now-former water resource portfolio manager for the city of Surprise, resigned after an investigation found he used city workers for an outside job involving an attempt to secure irrigation

water for farmers who paid him with a goat. The investigation concluded that Stevens violated city policy in several ways, including by having water workers do non-city work and by having other employment that could compromise his judgment, actions or job performance. (*AP News*)

**Nevada:** Former Las Vegas Convention and Visitors Authority CEO Rossi Ralenkotter has agreed to pay \$24,406 in ethics fines for violating state laws prohibiting him from using his longtime public position to enrich himself. The fines stem from Ralenkotter's use of LVCVA-bought airline gift cards on personal travel and his negotiation of a consulting contract with the tax-funded agency before he retired. (Jeff German, *Las Vegas Review-Journal*)

**New Jersey:** Jeanmarie Zahore was indicted on corruption charges after allegedly making numerous cash payments to a City of Orange employee who helped the man's company get a \$350,000 contract with Rahway. According to authorities, Zahore allegedly "engaged in a scheme" starting in August 2015 to offer and give "corrupt cash payments" to an unnamed City or Orange public official in exchange for the city employee using their influence to reward Zahore's computer consulting business, JZ Nettech, with a lucrative city contract to install a computer networking system at the municipal complex that houses the Orange Municipal Court and the Orange Police Department. (Joe Atmonavage, *NJ Advance Media*)

**North Carolina:** Billionaire businessman Greg E. Lindberg was sentenced to more than seven years in prison for attempting to bribe a North Carolina elected official to secure preferential regulatory treatment for his insurance business. (*AP News*)

## State Ballot Measures

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**Arkansas:** After sending letters to two committees indicating both proposed constitutional amendments lacked sufficient signatures to be placed on the general election ballot (because of a failure to properly certify the criminal background checks of the canvassers used to collect the signatures), Secretary of State John Thurston has now certified the proposed constitutional amendments and the state Supreme Court is considering whether to allow the proposals to be on the ballot. (Michael R. Wickline, *Arkansas Democrat Gazette*)

**Michigan:** A ballot initiative asking Michigan voters to approve more flexible spending of environmental funding for improving parks will be on the November 3, 2020 ballot. (Zahra Ahmad, *MLive*)

**North Dakota:** The "Brighter Future Fund" asked the North Dakota Supreme Court to exclude a measure from the November ballot, alleging that the people who signed the petition in support of placing the measure on the ballot weren't given the "full text of the measure" as required. Measure Three is a wide-ranging state Constitutional amendment that would, in part, create Legislative sub-districts for members of the North Dakota House, allow "approval voting," do away with party primaries and put redistricting in the hands of the new state Ethics Commission. The Court has taken the case under advisement. (Morgan Benth, *KFYR-TV*)