



Compliance Notes - Vol. 1, Issue 9

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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 Volume 1, Issue 9 of *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

The Federal Election Commission (FEC) elected Trey Trainor as Chair and Steven Walther as Vice Chair for the remainder of 2020. The FEC also announced that, despite resumption of mail operations, the processing of paper campaign finance reports may be delayed.

California: Joe Canciamilla, the former elections chief for Contra Costa County, was charged with 34 felonies for allegedly using more than a quarter million dollars in campaign funds for personal expenses and

committing perjury on 30 campaign disclosure statements dating back a decade. The additional four felony counts relate to grand theft of more than \$261,800 in campaign funds for his personal use. He allegedly spent the money on a vacation to Asia, plane tickets and other personal expenses. Last year the Fair Political Practices Commission found Canciamilla violated campaign finance laws at least 30 times and falsified state filings to cover it up. The Commission fined him \$150,000. (*Associated Press*)

Georgia: Cobb County Sheriff Neil Warren has agreed to pay a \$10,000 fine after state investigators found that he had his staff arranging photo shoots, running errands, and writing emails for his reelection campaign during their office hours. The sheriff will attend campaign finance training for the violations, and his attorney said employees in Warren's office would receive training as well. Warren is set to face reelection this year for his fifth term. (Meris Lutz, *The Atlanta Journal-Constitution*)

New Mexico: Cowboys For Trump, the for-profit organization founded by Couy Griffin, filed a federal lawsuit claiming New Mexico Secretary of State Maggie Toulouse Oliver violated its right to free speech and privacy. Griffin, who is a sitting Otero County Commissioner for District 2, was ordered earlier this year to register the organization as a political action committee, file campaign finance reports disclosing donors, and pay fines associated with the issue. Cowboys for Trump called the investigation "insidious," saying if donors' names are made public they could be subjected to harassment, intimidation or even boycotts. (Nicole Maxwell, *Alamogordo Daily News*)

Texas: Austin Mayor Steve Adler and every Austin City Council member signed an online pledge not to accept any campaign donations from police associations' political action committees (PACs). The Austin Police Association PAC is now asking those city leaders to return previously accepted donations. (Jennifer Kendall, *Fox 7 Austin*)

Washington, D.C.: A complaint filed with the Office of Campaign Finance (OCF) alleges that Brooke Pinto, Ward 2's newly elected councilmember, may have violated campaign finance laws by allegedly using a \$975,000 property as her campaign headquarters. The complainant is requesting that OCF investigate, saying Pinto failed to report her campaign's payment for the property. (Jarrod Wardwell, *The GW Hatchet*)

Elections

Arizona: Arizona's Attorney General Mark Brnovich filed a motion to intervene in a lawsuit challenging election rules that do not allow mail-in voters to cure issues with unsigned ballots after Election Day. According to the brief from the Attorney General's office, the AG should be allowed to intervene on behalf of the state to defend Arizona's voting laws as Secretary of State Katie Hobbs has not adequately represented the state's interests in prior suits. (Porter Wells, *Bloomberg Law*) Note: The Trump campaign and the RNC also moved to intervene. (Trump Campaign, Press Release)

Minnesota: Minnesota's unusual ballot ordering, with the parties featured in the reverse order of their most recent statewide performance, will be replaced by random lottery this year. Federal Judge Susan Richard Nelson decided that a random drawing should determine which of several parties with statewide credibility will get top billing in November. Higher ballot position, or "ballot primacy," almost always gives that candidate an advantage. (Bill Theobald, *The Fulcrum*)

Government Ethics

Arizona: Scottsdale's City Council voted to reject proposed changes to their ethics code, which would specifically ban anonymous gifts to elected officials. The proposal was prompted by a controversial GoFundMe campaign and subsequent ethics investigation completed earlier this year. Mayor Lane said the process of changing the code had prompted hundreds of emails on the proposal. Lane ultimately moved to reject the proposed changes to the code and was seconded by Councilwoman Suzanne Klapp, who is seeking to succeed Lane as mayor. Klapp said there was too much confusion around clarifying the ethics code and that the new council should tackle the change after the election. (*Lorraine Longhi, Arizona Republic*)

Pay-to-Play

New Jersey: Elizabeth Valandingham has been charged with "knowingly making a false material representation" in connection with the negotiation or award of a government contract. Valandingham was a law partner of Matthew O'Donnell, the Morristown tax attorney who reportedly served as an undercover informant in a sweeping New Jersey pay-to-play corruption investigation that led to charges against five elected and former officials and political candidates. According to law enforcement officials, more than \$70,000 in bribes were paid, including cash stuffed into envelopes, paper bags and a coffee cup, in exchange for steering legal work to the law firm. (Ted Sherman, *NJ.com*)

Political Speech & Campaign Advertisements

Facebook will allow people in the U.S. to opt out of seeing social issue, electoral or political ads from candidates or political action committees in their Facebook or Instagram feeds. With the change, Facebook can continue allowing political ads to flow across its network, while also finding a way to reduce the reach of those ads and to offer a concession to critics who have said the company should do more to moderate noxious speech on its platform. (Mike Isaac, *The New York Times*)

Ranked-Choice Voting

Alaska: Alaskans will decide in November whether to pass Ballot Measure 2, which would: (1) require both donors and campaigns to identify the source of donations over \$2,000; (2) establish open primaries regardless of party affiliation; and (3) implement ranked-choice voting. Supporters of the initiative say this will appeal to voters who are not registered with either major party. The Alaska Republican Party says this initiative would destroy the existing election system in Alaska. (Alexis Fernandez, *KTUU*)

Maine: Signatures were filed for a veto referendum to repeal Maine LD 1803, which established ranked-choice voting for presidential elections. Under LD 1803, Maine is slated to use ranked-choice voting to elect the president for the first time on November 3, 2020. A successful signature drive would suspend the law until voters decide the law's fate. (Ryan Byrne, *Ballotpedia*)

Massachusetts: Voter Choice Massachusetts, which is sponsoring the Massachusetts Ranked-Choice Voting Initiative, announced that it submitted 25,000 signatures to city and town clerks. For this second round, 13,374 valid signatures are required to qualify for the November ballot. The initiative would enact ranked-choice voting for elections in Massachusetts, excluding presidential electors, county commissioners, and regional district school committees, as well as elections in caucuses. (Victoria Antram, *Ballotpedia*)

Recounts

New Jersey: A judge has ordered a second recount in the Paterson City Council race between Mohammed Akhtaruzzaman and Shahin Khaliq that was decided by just one vote. (Jonathan Dienst, *NBC New York*)

Signature Gathering

Maryland: Maryland's Green and Libertarian parties will have until Aug. 3 to turn in 5,000 valid signatures from registered voters, down from the statutory requirement of 10,000, to gain ballot access for the November general election. The state's leading third parties filed a lawsuit in U.S. District Court to reduce the requirement late last month, arguing that the state's springtime stay-at-home order and social distancing guidelines made it impossible for them to exercise their First Amendment rights. The parties had sought to reduce the requirement to 1,000 valid signatures. The state board approved a policy change in late April to allow parties and candidates to collect signatures electronically during the COVID-19 pandemic. (Danielle E. Gaines, *Maryland Matters*)

Technology

Delaware: Until last week, Delaware voters could mark and return their absentee ballots digitally through a pilot "OmniBallot" internet-based voting system. But, with only two weeks left until the July 7 election and a record number of absentee ballots rolling in, election officials quietly dropped the OmniBallot system in response to security concerns. (Sophia Schmidt, *Delaware Public Media*)

Voter Requirements

California: The San Francisco Board of Supervisors' Rules Committee unanimously approved a city charter amendment that aims to extend voting rights to 16- and 17-year-olds in municipal elections. The charter amendment now heads to a full board vote that will determine if the measure will make it to the November ballot. Six votes are required to include the amendment on the ballot—eight supervisors are already sponsoring the measure. A similar ballot measure appeared in the November 2016 election and lost with 52.1 percent of voters rejecting the measure. November will be the second attempt at the ballot box if the board approves it this time around. (Jerold Chinn, *SFBay*)

Iowa: The Iowa Legislature adjourned its 2020 Session after passing a controversial expansion of the state's voter ID program. Voters who go to their county courthouse or auditor's office to vote early in-person would now have to provide ID before receiving their ballots. And, if a voter provides incomplete or incorrect information when requesting a mailed absentee ballot, the county auditor's office would be required to contact the voter first by telephone and email, then by physical mail, rather than using an existing voter registration database to fill in the blanks. (Stephen Gruber-Miller and Ian Richardson, *Des Moines Register*)