



# Compliance Notes - Vol. 2, Issue 21

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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.

Our 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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Hawaii defense contractor Martin Kao allegedly steered \$150,000 in donations to a federal Super PAC supporting Senator Susan Collins' 2020 re-election campaign, using a company that seemed to be set up for the sole purpose to hide the true source of the contribution. (Nick Grube, *Honolulu Civil Beat*)

A federal grand jury is seeking documents related to allegations that San Diego developer Douglas Manchester made contributions to the Republican National Committee in exchange for an ambassadorial nomination by President Trump. (Jeff McDonald, *The San Diego Union-Tribune*)

**California:** Some recall candidates are using a fundraising tactic that automatically signs donors up for reoccurring contributions when they donate online, a practice that was used by Donald Trump. The Federal Election Commission has recommended to Congress that the practice be prohibited by federal law. (Jeremy White, *Politico*)

**Connecticut:** The Connecticut Supreme Court reversed a trial court decision and that of the State Election Enforcement Commission that punished two state Senate candidates for violating campaign finance law by using public financing to criticize the gubernatorial candidate of the other party. The decision concluded that neither the agency nor the trial court properly considered the free speech arguments presented by the candidates facing punishment. (Edmund Mahony, *Hartford Courant*)

**Illinois:** The state Supreme Court ruled that Auditor General Frank Mautino misspent nearly \$250,000 in campaign funds for fuel and auto repairs for personal vehicles while he was a state lawmaker. However, Mautino will not face fines because the State Board of Elections does not have the power to impose fines on a campaign committee that has already shut down or impose personal liability. (Hannah Meisel, NPR Illinois)

**Massachusetts:** A review of campaign finance violations referred to Attorney General Maura Healey found that, of the 13 individuals referred to her office, zero faced criminal prosecution. (Dave Copeland, *Patch*)

### Government Ethics & Transparency

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The Office of Special Counsel has concluded that Housing and Urban Development Secretary Marcia Fudge violated the Hatch Act when she commented on statewide races in Ohio during a White House press briefing. (Daniel Lippman, *Politico*)

**Iowa:** State House Democrats filed an ethics complaint against Heritage Action staff for failing to register as lobbyists for work related to an election integrity and election security bill. The organization denies that it was required to register to lobby. The Iowa Ethics and Campaign Disclosure Board has asked Heritage staff to "disclose the nature and extent of Heritage Action's communications with any state agency or statewide elected official in the past year relating to legislation, administrative rules or executive orders." (Stephen Gruber-Miller, *Des Moines Register*)

**Kentucky:** A former state employee who has already been indicted on federal charges has been fined \$46,000 by the state Executive Branch Ethics Commission for accepting 23 payments totaling over \$50,000 to refer kids in the care of the state to a horse-therapy rehabilitation center. (Daniel Desrochers, *Lexington Herald-Leader*)

**Maryland:** Governor Hogan signed a bill that extends state gifting rules to organizations that represent counties and municipalities – specifically, the Maryland Municipal League and the Maryland Association of Counties. (Bennett Leckrone, *Maryland Matters*)

**Michigan:** Americans for Public Trust filed an ethics complaint against Governor Gretchen Whitmer alleging that she received a prohibited private gift of more than \$13,000 in the form of a discounted private jet trip to Florida. (Houston Keene, *Fox News*)

**Pennsylvania:** In their annual financial disclosure forms reporting gifts greater than \$250, state legislators, for the most part, did not report receiving any gift of a reportable amount. For a state with no limit for the value of a gift that is received, this is a marked change from previous years when significant gifts were

routinely reported. This change is attributed to the COVID-19 pandemic. (Angela Couloumbis, *Spotlight PA*)

**Tennessee:** The state's Department of Corrections will rebid a \$123 million contract for behavioral health services after allegations that the Department's former Chief Financial Officer, Wesley Landers, steered the original bid towards the winning company in exchange for a "cushy" job at one of its affiliates in another state. (Travis Loller, AP)