



Compliance Notes - Vol. 2, Issue 22

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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.

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

The U.S. Department of Justice is reportedly preparing litigation to force Steve Wynn to register as a foreign agent under the Foreign Agents Registration Act (FARA). According to reports, Wynn allegedly used “back channels” to convey information on behalf of the Chinese government to the Trump administration. (Celine Castronuovo, *The Hill*)

The publisher of the *National Enquirer*, A360 Media LLC, paid \$187,000 to settle an enforcement matter with the Federal Election Commission (FEC) for payments it made in 2018 to Karen McDougal for exclusive rights

to scandalous information that she had about Donald Trump. (Matthew Brown, *USA Today*)

The FEC's inspector general released a report stating that the agency's staff has been placed under "great strain" as a result of the FEC's budget failing to keep pace with the increase in election spending, from roughly \$1.6 billion in 1998 to \$14 billion last year. (Caitlin Oprysko, *Politico*)

California: San Diego's online campaign finance disclosure website has been down after an apparent decision not to continue with its vendor, NetFile. (Matt Potter, *San Diego Reader*)

Colorado: The Secretary of State adopted new lobbying rules for those lobbying Redistricting and Reapportionment Commissions. Among the changes is a requirement that volunteer lobbyists, as well as paid lobbyists, register with the Secretary's office. The rules were effective as of the date of promulgation, May 28, 2021. (Press Release, Colorado SOS)

Connecticut: Federal prosecutors are charging State Senator Dennis Bradley Jr. of Bridgeport and his campaign treasurer, Jessica Martinez, with conspiracy to commit wire fraud by virtue of submitting false expenditures for reimbursement by the state's public financing system, the Citizen's Election Program. (Edmund Mahony & Christopher Keating, *Hartford Courant*)

Louisiana: The state legislature passed a bill that would allow candidates to receive unlimited contributions from PACs. Currently, candidates for statewide office may receive up to \$80,000 per election cycle from PACs. The governor has not taken a position on the bill yet. (Associated Press)

Government Ethics & Transparency

Illinois: The state legislature passed an ethics reform bill that would, among other things, prohibit elected officials from lobbying other governmental units and require "consultants" to register as lobbyists. The governor has not said whether he will sign it, but he praised the bill. (Dean Olsen, *The State Journal-Register*)

Michigan: Following an ethics complaint about an allegedly discounted flight on a company-owned private jet, Governor Whitmer will reimburse the cost of the flight to her campaign committee, deeming it a political expense. (Beth LeBlanc, *The Detroit News*)

New York: Federal prosecutors are reportedly investigating ties between Assembly Speaker Carl Heastie and a lobbyist, Patrick Jenkins, who also serves as a paid political consultant to Heastie. (Danny Hakim, Luis, Ferre-Sadurni & William Rashbaum, *The New York Times*)

North Dakota: The state's Ethics Commission put forward for comment a proposal to provide an exception to the state's lobbyist gift ban. Under the proposal lobbyists would be able to provide food and drink valued up to \$10 to a public official. (Jack Dura, *The Bismarck Tribune*)

Voting Rights

Texas: An attempt by Texas Republican legislators to pass SB 7, known as the Election Integrity Protection Act, led Democratic lawmakers to "walk-out" to avoid the passage of the bill, which would limit 24-hour and drive-thru voting, among other measures. (Mabinty Quarshie, *USA Today*)

Ballot Measures

In traditionally conservative states that have recently passed progressive or liberal laws via ballot measures, state legislatures are moving to restrict ballot initiative processes. (Reid J. Epstein & Nick Corasanti, *The New York Times*)