



Compliance Notes - Vol. 2, Issue 47

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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

New York: Federal prosecutors in New York arrested real estate mogul Gerald Migdol on multiple charges connected with a campaign finance scheme, which allegedly used fraud to obtain millions of dollars in public matching funds. Migdol has close ties to Lt. Gov. Brian A. Benjamin. Although the indictment does not explicitly name Benjamin, court documents identify "Candidate-1," who registered to run for comptroller of New York City in September 2019. According to records held by the State Board of Elections, the only candidate matching "Candidate-1's" description is Lt. Gov. Benjamin. (Joshua Solomon and Chris Bragg, *Times Union*)

South Dakota: The South Dakota Democratic Party (SDDP) reached an agreement with the Federal Election Commission (FEC) to resolve an investigation focused on the SDDP's handling of funds from the "Hillary Victory Fund." During the 2016 election cycle, the SDDP failed to disclose disbursements on its original campaign finance reports and received contributions from unregistered organizations without confirming that the donations were made using permissible funds. The SDDP paid a \$40,000 penalty and surrendered \$2,565 in improper contributions. (Austin Goss, *Dakota News Now*)

Missouri: The Missouri Ethics Commission (MEC) issued an order finding the campaign fund that raises money to support Governor Mike Parson's agenda accepted illegal contributions from an out-of-state group. The MEC said that the Uniting Missouri PAC received a \$150,000 illegal contribution from a PAC associated with the Republican Attorneys General Association (RAGA). The MEC deemed the contribution illegal because the PAC was not registered with the MEC. In the RAGA Action Fund case, the MEC said the PAC was not in compliance with state ethics laws because it never filed a statement of organization as a committee domiciled in Missouri, did not appoint a treasurer residing in Missouri and did not open an account with a depository in Missouri. The MEC fined both Uniting Missouri and the RAGA Action Fund \$1,000. Further, since the incident marked Uniting Missouri's second reporting lapse, it must pay an additional \$1,800. (Kurt Erickson, *St. Louis Post-Dispatch*)

Government Ethics & Transparency

Colorado: As part of an investigation into an election security breach, the FBI and state and local authorities searched the home of Mesa County Clerk Tina Peters and three associates. Colorado Secretary of State Jena Griswold filed a lawsuit last month alleging Peters and her deputy breached election security when they permitted an unauthorized person to participate in updating the county's voting system software and then allegedly lied about doing so. A Mesa County judge then prohibited Peters, the chief elections official for Western Slope County, from overseeing the county's election. (Ernest Luning, *Colorado Politics*)

Ohio: Federal and state investigators are looking into an attempted breach of Lake County, Ohio's election network to determine whether someone in the Lake County government building gained improper access by plugging a private laptop into the county network. Further, investigators from the Secretary of State's office allege that a government official facilitated the attempted breach. Investigators are also examining the possibility of a connection between the breaches in Colorado and Ohio. (Anna Staver, *The Columbus Dispatch*)

Kentucky: The Executive Branch Ethics Commission filed an initiating order accusing former Secretary of State Alison Lundergan Grimes of misusing her office for personal and political purposes. The Ethics Commission alleges that Grimes used her position to direct subordinates to download and store information from the Voter Registration System onto flash drives for a personal purpose. They also allege that Grimes directed her subordinates to use state time and resources to engage in political activities by directing a subordinate to email democratic candidates a list of newly registered Democratic voters. (Carson Kessler, *ProPublica*)