



Compliance Notes - Vol. 3, Issue 15

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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 Federal Election Commission (FEC) reached a nearly \$1 million settlement with Canadian business owner Barry Zekelman and two of his companies for violating the foreign national contribution ban. Contributions totaling \$1.75 million were made from U.S.-based subsidiaries controlled by Zekelman's companies. However, the prohibition also bans foreign national individuals from being involved in the decision making process for U.S. contributions, and the FEC determined that Zekelman, a foreign national, discussed the contributions with U.S.-based executives before the contributions were made. (Zach Montellaro, *POLITICO*)

Former Indiana state senator Darryl Brent Waltz pleaded guilty to knowingly receiving more than a dozen contributions while running for Congress in 2016 where the individual listed as the donor had been reimbursed by a company for making the contribution. This practice is also known as “straw donor” contributions. (WTHR.com Staff, WTHR)

Florida: Governor Ron DeSantis signed HB 921 into law, Florida’s second attempt at restricting spending in the ballot initiative process. The provision, which will take effect July 1, limits non-Floridian’s from donating more than \$3,000 to ballot committees and prevents out-of-state political committees that sponsor or oppose initiatives from receiving donations worth more than \$3,000. (Renzo Downey, *Florida Politics*)

New York: The New York state legislature is considering a proposal to revamp the Joint Commission on Public Ethics (JCOPE). The current proposal would provide that the governor, as well as each chamber of the legislature, would each have several appointments and that appointees would also need to be qualified via an independent review board. Further, the bill would allow JCOPE to proceed with investigations with a simple majority vote, whereas currently a minority of commissioners can block action. (Chris Bragg, *Albany Times Union*)

Government Ethics & Transparency

The U.S. House Ethics Commission is reviewing ethics allegations against Representative Ronnie Jackson (R-TX) that are reportedly related to his campaign finance reports. (Jamie Burch, CBS Austin)

New York: New York Lieutenant Governor Brian Benjamin resigned following his arrest on bribery conspiracy charges for an alleged campaign finance scheme with an attorney and real estate developer accused of using straw donors to boost Benjamin’s failed bid for city comptroller. According to the indictment, while serving as a state senator, Benjamin took illegal campaign contributions from donors arranged by a real estate developer. In exchange, Benjamin allegedly used his official authority and influence to obtain a \$50,000 grant of state funds for a nonprofit controlled by the developer. Benjamin pleaded not guilty. (Joseph Spector and Erin Durkin, *POLITICO*)

Tennessee: The Nashville Metro Council voted to censure Councilmember Jonathan Hall for his repeated failure to file required financial disclosure forms. Hall was fined by the state election board for similarly failing to file campaign finance reports, although that case is on appeal. (Emily West and Jennifer Kraus, NewsChannel5)

Elections & Ballot Measures

Alaska: Political donors are challenging Alaska’s campaign finance law adopted by ballot measure in 2020 that requires disclosure of donors who give more than \$2,000 to independent expenditure committees. The plaintiffs challenging the law claim that the rule violates the First Amendment by chilling free speech. (Becky Bohrer, AP News)