



Compliance Notes - Vol. 3, Issue 20

05.20.2022

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 Supreme Court struck down the campaign finance provision that prevents federal candidates from using post-election contributions to repay a candidate's loan to their campaign. The law at issue placed a \$250,000 cap on the amount federal candidates can raise and use after an election to repay personal loans. The majority held that the limit burdened core political speech without proper justification of preventing corruption. (Robert Barnes, *The Washington Post*)

In the first civil suit to enforce the Foreign Agents Registration Act (FARA) in decades, the Department of Justice (DOJ) is suing billionaire and Republican fundraiser Steve Wynn to compel him to register as a

foreign agent after he allegedly pressed the Trump administration to extradite fugitive Chinese billionaire Guo Wengui. DOJ alleges that Wynn operated as an unregistered foreign agent by working with a senior Chinese government official to secure Wengui's extradition and directly conveyed the extradition request to then-President Trump and senior White House officials. (Lachlan Markay, *Axios*)

Cryptocurrency executives are emerging as major political power players in campaign spending as they pour millions of dollars into primary elections across the country to gain influence over the legislators and officials who will write the laws and craft regulations that will govern their industry. So far, according to records and interviews, industry executives have spent \$20 million in congressional races. The push comes as Congress and the Biden administration consider new regulations and set budgets for the agencies that will oversee the cryptocurrency industry. (Brian Slodysko, Fatima Hussein and Bloomberg, *Fortune*)

Oregon: Wealthy donors in Portland are taking advantage of a significant loophole in the city's public campaign financing system to continue shaping the political process with their deep pockets. Portland's small-donor program aims to reduce the influence of big money in politics by capping the contributions participating candidates can accept at \$250. In return, the city provides participating candidates a 9-to-1 match on the donations they receive. However, the ability to donate unlimited amounts to political action committees (PACs) reveals a fundamental loophole in the city's efforts to restrict campaign spending. Candidates participating in the public financing system can claim they support contribution limits, while donors, ostensibly limited to giving \$250, can continue pouring money into PACs that promote specific candidates. (Rebecca Ellis, *OPB*)

Legislation & The First Amendment

In the absence of federal action on social media and tech reforms, state legislators across the country are crafting proposals to restrict the type of content major social media companies can police. In at least 18 states, legislators have considered bills that would impose penalties on companies for limiting or censoring content based on ideological viewpoints. While details vary depending on the proposal, many allow users to bring lawsuits in state court when they believe their views have been censored or silenced. (Reid Wilson, *The Hill*)

Florida: Florida Governor Ron DeSantis signed a bill making it illegal to protest outside of a person's home. The law aims to keep people safe amid widespread protests. Specifically, the law bans residential picketing or protesting "before or about" a person's dwelling with specified intent and requires a "specified warning" before making an arrest. (Herb Scribner, *Axios*)