



Compliance Notes - Vol. 3, Issue 32

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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

Texas: Gubernatorial candidate Beto O'Rourke's (D) massive fundraising report overwhelmed Texas servers, causing them to crash. In response, the Texas Ethics Commission has requested \$756,000 to upgrade its technology ahead of the midterm elections. In a letter to top state budget writers, commission leaders stated that the servers cannot keep up with the growing volume of campaign finance reports and warned that if they are not updated, the system "will likely fail again" in October when the next round of reports are due. (Allie Morris, *Dallas Morning News*)

Government Ethics & Transparency

The former governor of Puerto Rico, Wanda Vázquez (R), was arrested on bribery charges related to the financing of her 2020 campaign. Authorities allege that while Vázquez was governor, a Venezuelan-Italian bank owner and a former FBI agent promised to financially support Vázquez's 2020 gubernatorial campaign in exchange for Vázquez dismissing the Commissioner of Financial Institutions and appointing a new commissioner chosen by the bank owner. Officials say Vázquez accepted the bribe, demanded the commissioner's resignation in February 2020 and then appointed a new commissioner in May 2020 who was a former consultant for the bank. After the move, authorities said the bank owner and former FBI agent paid more than \$300,000 to political consultants to support Vázquez's campaign. (Dánica Coto, *AP News*)

Virginia: James Minor, a member of the Virginia Marine Resources Commission, will get to vote on an anticipated permit request for a natural gas pipeline expansion even though public records show he has been lobbying elected officials to support the project. Minor and TC Energy, the company that wants to build the pipeline, will not say whether he was paid for the work. (Patrick Wilson, *Richmond Times-Dispatch*)

Elections & Voting

A program to recruit and train "pro-freedom, pre-democracy" candidates for office was launched by Keep Country First Policy Action, a nonprofit organization founded by allies of Representative Adam Kinzinger (R-Ill.). The "Country First Academy" will emphasize recruiting people for local election official positions and training volunteers who staff polling places and count ballots across the country. (Zach Montellaro, *Politico*)

North Carolina: A North Carolina law criminalizing false, defamatory speech about candidates and public officials made with actual malice was upheld by a district court. The court found the statute constitutional because the law is narrowly tailored to address compelling state interests in protecting against fraud and libel in elections. (Eugene Volokh, *Reason*)

Pennsylvania: After a long legal fight, Pennsylvania's mail-voting law allowing any voter to use mail ballots remains on the books after the state's Supreme Court ruled the law is constitutional. The high court reasoned the law didn't overstep the state Constitution in expanding mail voting because absentee voters are the minimum protected group of voters allowed to vote by mail, and nothing prevents the legislature from extending that option to others. (Jonathan Lai, *The Philadelphia Inquirer*)