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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

Washington: To make Spokane's Fair Elections Code consistent with state law, the City Council voted to increase the individual donor limit for political campaigns from \$500 to \$1,000. In 2018, the city's donation limits were reduced to \$500 in order to force politicians to reach out to more constituents and decrease their reliance on a smaller number of wealthier donors. However, a massive uptick in independent expenditures overshadowed the overall increase in donors. The new limit will take effect on October 26, 2022. (Colin Tiernan, *The Spokesman-Review*)

Government Ethics & Transparency

The former CEO of a defense contracting firm has pleaded guilty to making more than \$200,000 in illegal contributions to Senator Susan Collins' campaign and political action committee that supported her 2020 reelection bid. Prosecutors alleged that in 2019 Martin Kao engaged in a conspiracy to funnel money to Senator Collins' campaign through family members and a shell company. The donations were made shortly after Senator Collins helped the contracting firm secure an \$8 million contract with the Navy's Office of Naval Research. In February of this year, Mr. Kao was charged with violating federal laws prohibiting defense contractors from making such contributions. In light of Mr. Kao's recent guilty plea, Collins' campaign committee emphasized there have been no allegations of wrongdoing against it. (Colin Woodard, *Sun Journal*)

New Mexico: In a case evaluating whether New Mexico's ethics law was too vague to be used for criminal prosecutions, the state's supreme court ruled that an ethical violation by a public official is not a crime. The court's ruling reversed the appeals court, which found the state's ethics law created a criminal charge. The decision came in a matter focused on four high-profile cases against public officials charged under the ethics law, who argued the law was merely a set of guidelines for how public officials should behave. The attorney general's office argued that the law clearly states that public employees shall not use their power for personal benefit in order to protect the public's confidence in government. In rejecting the attorney general's rationale, the court stripped the attorney general's office of its power to prosecute public officials who use their office for personal gain. As a result, the criminal ethics charges against all four individuals were dismissed. (Anna Padilla, KRQE)

Elections & Voting

Montana: A judge found three laws that restricted voting in Montana unconstitutional because there was no evidence of the widespread voter fraud that the laws ostensibly targeted. The three laws at issue were passed in 2021 to prevent election fraud. The laws would have eliminated Election Day registration, imposed new voter identification requirements and restricted third-party ballot collections. The judge also found "significant signs" that the ballot collection law had a discriminatory purpose and that identification restrictions were intended to "reduce voting by young people." Election officials have declined to say whether they would appeal the ruling to the state's supreme court. However, with the election just over a month away, it's uncertain if the justices could issue a decision in time. (Matthew Brown, *AP News*)