



Compliance Notes - Vol. 3, Issue 43

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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

Hawaii: The Commission to Improve Standards of Conduct added to its recommended actions for 2023 a bill that would ban campaign fundraising during the legislative session. Although lawmakers are currently prohibited from hosting fundraising events during the legislative session, legislators still raised more than \$500,000 during the 2022 session, according to reports. (Blaze Lovell, *Honolulu Civil Beat*)

Michigan: Two nonprofits in Michigan alleged to have shielded donor's identities when raising and donating money for a 2020 ballot initiative, rejected a settlement offer of a \$2.33 million fine from the Michigan Bureau of Elections (BOE). Although it is legal for organizations to raise money and donate the money to a

ballot committee, it is illegal to do so with the intent of hiding the organization's donors, at least per the allegations from the BOE. The investigation into the matter continues. (Jordyn Hermani, *MLive*)

Washington: The Washington State Attorney General is seeking the maximum penalty of nearly \$25 million from Meta following a court ruling that Meta intentionally violated Washington's campaign finance disclosure law, which requires that commercial advertisers maintain records on political ads. (Laurel Demkovich, *The Spokesman-Review*)

Government Ethics & Transparency

Some observers allege that a private, invitation-only event hosted by Citi featuring Federal Reserve Bank ("Fed") of St. Louis President James Bullard, may have violated internal Fed ethics rules. Fed rules on communications aim to avoid providing a profit-making firm with an advantage by allowing special access to policymakers. The event comes as the Fed is in the process of handling ethics allegations related to the president of the Atlanta Fed. (Steve Matthews, *Yahoo!Finance*)

California: The San Francisco Ethics Commission and the union representing San Francisco city employees continue to negotiate over reforms to the city's ethics rules. The two sides have met 11 times about the proposals, which "aim to close a number of loopholes in The City's ethics policies and to deter... backroom dealing and back-scratching...." (Adam Shanks, *San Francisco Examiner*)

Delaware: State Auditor Kathy McGuinness resigned from her office after being convicted of conflict of interest and official misconduct crimes. McGuinness avoided prison time but was sentenced to a year of probation, 500 hours of community service and a \$10,000 fine. The conviction stems from McGuinness's hiring of her daughter in the auditor's office in violation of conflict of interest laws. (Xerxes Wilson, *Delaware News Journal*)