



# Compliance Notes - Vol. 3, Issue 9

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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**

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According to documents released by the Federal Election Commission (FEC) last week, the commission won't investigate former President Trump for possible campaign finance violations related to a 2016 fundraiser for veterans. The question involved whether Trump's 2016 presidential campaign violated "soft money" spending laws, which prohibit using unregulated, non-campaign funds for political purposes. Specifically at issue was whether Trump funneled approximately half of the \$5.8 million raised at the 2016 veterans fundraiser to his now-defunct Donald J. Trump Foundation and then steered how the foundation spent \$2.8 million of charitable funds right before the Iowa Republican caucuses. Although the Office of General Counsel recommended further investigation, the commission voted to close the case. (Bryan

Metzger, *Insider*)

Lobbying firms have terminated relationships with high-profile Russian clients targeted by U.S. sanctions, as the restrictions limit the ability to do business with the companies. Lobbyists representing Nord Stream 2 and Sberbank CIB USA Inc. are included among the terminations. Most of the lobbying engagements were designed to stave off U.S. sanctions; however, sanctions due to Russia's invasion of Ukraine made such representation obsolete. (Lachlan Markay, *Axios*)

**New York:** On Friday, New York's Joint Commission on Public Ethics (JCOPE) was the target of a "deliberate malicious cyberattack," forcing the web server holding the state's lobbying and financial disclosure systems to go offline. The commission's statement acknowledges they do not have any information about who may be behind the cyberattack or if an actual breach of user or agency information occurred. JCOPE will keep the system offline until it is safely restored and will automatically grant filing extensions for filings that were due, but could not be submitted, during the outage. (Brendan J. Lyons, *Albany Times Union*) and (JCOPE Statement)

### Government Ethics & Transparency

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As the cryptocurrency industry expands, so too does its revolving door. People are increasingly moving between positions with government agencies that regulate the industry and employment and with crypto firms. According to watchdog group the Tech Transparency Project, there have been almost 240 instances of crypto's revolving door, raising potential conflicts of interests that could undermine efforts to regulate the industry. While employing former regulators is common on Wall Street and other sectors, digital asset companies are pouring money into lobbying efforts as they brace for an onslaught of regulatory and enforcement actions. By hiring political insiders, crypto firms could curb stricter regulations. (Allyson Versprille, *Bloomberg News*)

### Elections & Voting

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**North Carolina:** The North Carolina attorney general's office rejected Rep. Madison Cawthorn's (R-NC) claim that the constitution's prohibition on insurrectionists seeking federal office no longer applies. State attorneys said that the 14th Amendment's provision disqualifying insurrectionists from holding federal office is not a defunct Civil War-era relic but rather a guard against future acts of insurrection. Therefore, if the North Carolina State Board determines Rep. Cawthorn aided or encouraged the January 6th attack on the Capitol, then he could face the 14th Amendment's prohibition. (Kyle Cheney, *Politico*)