



# Compliance Notes - Vol. 4, Issue 18

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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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Senator Chuck Grassley (R-IA) and a bipartisan group of senators, which includes Senator Sheldon Whitehouse (D-RI), reintroduced a bill to reform the Foreign Agents Registration Act (FARA) and increase oversight transparency. The Foreign Agents Disclosure and Registration Enhancement Act would strengthen FARA by providing the Department of Justice with additional tools to investigate possible violations and increase penalties for individuals who fail to properly register as foreign agents. The bill also would provide checks on the use of those new tools, improve FARA advisory opinion transparency and require the Government Accountability Office to study the degree to which the Lobbying Disclosure Act exemption is used to conceal foreign lobbying activity. (Foreign Agents Disclosure and Registration Enhancement Act of

2023) (News Release, Senator Grassley)

A jury found ex-Fugees rapper Prakazrel “Pras” Michel guilty of conspiring to defraud the United States, acting as an unregistered foreign agent in violation of FARA, making false statements to banks and federal investigators and intimidating witnesses. Prosecutors said Michel illegally funneled about \$100 million from a Malaysian billionaire both to support former President Obama’s 2012 reelection campaign and to lobby the Trump administration on behalf of China without registering as a foreign agent. Michel faces a maximum of 20 years in prison. (Washington Desk, NPR)

**New Mexico:** After New Mexico’s State Ethics Commission filed a lawsuit against the Working Families Organization for violating state campaign finance law, the advocacy group paid a civil penalty and disclosed the donors behind a text-messaging campaign. The Commission alleged the organization tried to conceal its role in a text message campaign urging voters to support a ballot measure for education funding and failed to file disclosure reports. The settlement is the Commission’s first case centering on the requirement that a political advertisement must disclose who paid for and approved the ad. (Dan McKay, *Albuquerque Journal*)

### Government Ethics & Transparency

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**New York:** Former Governor Andrew Cuomo filed suit against the Commission on Ethics and Lobbying in Government, alleging that it is so independent of the current governor that it is unconstitutional. Cuomo argues how the commission was set up violates the separation of powers under the state and U.S. constitutions. Cuomo is asking the court to declare the ethics commission an unconstitutional body and, therefore, any enforcement taken against him by it to be invalid. (Joshua Solomon, *Times Union*)

**Oregon:** Governor Tina Kotek demanded the Oregon Ethics Commission investigate Secretary of State Shemia Fagan’s actions related to a canceled consulting contract with a private marijuana company. According to the contract with Veriede Holding, Fagan received \$10,000 monthly and would receive \$30,000 in bonuses for the “successful acquisition of license(s)” Veriede and its affiliates obtained outside of Oregon or New Mexico. The governor also called for the Department of Justice to review the Secretary of State’s recently released audit of the Oregon Liquor and Cannabis Commission and its cannabis program. (Dianne Lugo, *Salem Statesman Journal*)