



# Compliance Notes - Vol. 4, Issue 23

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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 two recent subpoenas, federal prosecutors are scrutinizing at least ten political nonprofit groups to determine if the groups defrauded donors. The subpoenas sought recordings of the fund-raising calls made by two separate networks of political nonprofits that together have raised tens of millions of dollars. One subpoena sent to five 527 organizations indicated prosecutors were investigating allegations of wire fraud and conspiracy to commit fraud. In the other subpoena, sent to five political action committees, prosecutors said they were investigating wire fraud and money laundering allegations. The groups listed in the recent subpoenas have not been charged with any crimes. (David Fahrenthold, William K. Rashbaum & Tiff Fehr, *The New York Times* via DNYUZ)

**Kentucky:** Groups pushing for or against expanding Lexington’s growth boundary do not have to disclose their donors or register as lobbyists under the city’s ethics rules. Lexington for Everyone, a 501(c)(4) nonprofit, has pushed for an immediate expansion of the city’s urban service boundary, while the Fayette Alliance, a 501(c)(3) nonprofit, has lobbied for the city to wait until various studies are complete before pushing forward with expansion. Even though millions of dollars could be at stake, the Lexington-Fayette Urban County Government’s ethics rules do not require groups who lobby the city government to register or disclose how much the group is spending on lobbying issues before the council. (Beth Musgrave, *Lexington Herald-Leader*)

## Government Ethics & Transparency

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**New Mexico:** Solomon Peña, a Republican and an unsuccessful candidate for New Mexico’s state House, faces federal charges for shootings at Democrat officials’ homes. Prosecutors accuse Peña of organizing the shootings at the homes of two Bernalillo County commissioners and two New Mexico state legislators following his election loss. If convicted, Peña faces a mandatory minimum sentence of 60 years in prison. (Rebecca Falconer, *Axios*)

**New York:** In a state court hearing, attorneys for former governor Andrew Cuomo argued that the New York Commission on Ethics and Lobbying in Government (CELG) was created in violation of the constitution and should not be allowed to investigate a \$5 million deal Cuomo secured to publish a book about his handling of the pandemic. The state attorney general’s office argued that Cuomo is asking the court to take an unprecedented, extraordinary step to effectively disband the newly created ethics commission. The State Supreme Court Justice will decide whether CELG was legally established or may be required to be set up through a constitutional amendment. (Joshua Solomon, *Times Union*)

## Elections & Voting

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YouTube will no longer remove content that advances false claims that widespread fraud, errors or glitches occurred in the 2020 presidential election and other U.S. elections, reversing its election integrity policy established in December 2020. YouTube said in a statement that leaving the policy in place could have the effect of “curtailing political speech without meaningfully reducing the risk of violence or other real-world harm.” The platform will provide more details about its approach to the 2024 election in the coming months. (Sara Fischer, *Axios*)