



Compliance Notes - Vol. 4, Issue 26

06.28.2023

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

The U.S. Senate passed two bipartisan bills aimed at increasing disclosure regarding foreign governments attempting to influence U.S. policy by amending the federal Lobbying Disclosure Act (LDA). The "Lobbying Disclosure Improvement Act" (S. 264) would require lobbyists representing foreign organizations to indicate whether or not they are availing themselves of the Foreign Agent Registration Act (FARA) exemption for those registered under the LDA. The "Disclosing Foreign Influence in Lobbying Act" (S. 289) would attempt to make clear that lobbying organizations must disclose when foreign governments or political parties are in some way affiliated in their lobbying efforts, regardless of any financial contribution to the lobbying effort. Both bills now await action from the U.S. House of Representatives. (HSGAC Press Release) (S.264 -

Lobbying Disclosure Improvement Act) (S.829 - Disclosing Foreign Influence in Lobbying Act)

The Supreme Court voted 6-3 to reject the “independent state legislature” theory, under which state lawmakers would have broad power to control the rules governing federal elections in their states. Writing for the majority, Chief Justice John G. Roberts Jr. wrote the Constitution “does not exempt state legislatures from the ordinary constraints imposed by state law.” (Adam Liptak, *The New York Times*)(subscription required) & (Sam Baker, *Axios*)

The Federal Election Commission (FEC) was deadlocked on a request by advocacy group Public Citizen to develop regulations for AI-generated deepfake political ads. In the petition submitted last month, Public Citizen asked the FEC to establish rules, noting advances in artificial intelligence have given political operatives the tools to produce campaign ads with computer-generated fake images that appear real. Such ads could misrepresent a candidate’s political views, a violation of existing federal law. Commissioner Allen Dickerson and Chairwoman Dara Lindenbaum agreed the FEC lacks the jurisdiction to regulate such ads. However, Lindenbaum voted in support of the motion to accept public comment before making new rules saying the process would be helpful to policymakers. (Daniela Altimari, *Roll Call*) (FEC Press Release)

Government Ethics & Transparency

The U.S. House of Representatives Committee on Ethics announced they are expanding their investigation into Rep. George Santos (R-N.Y.) after the Department of Justice charged him with more than a dozen criminal counts. According to an update from the panel, the committee voted to expand the scope of their already sprawling probe to look at allegations of unemployment insurance fraud. Further, according to the committee’s statement, the panel has issued more than 30 subpoenas and 40 voluntary requests for information during the probe. (Andrew Solender, *Axios*) (Statement of the Chairman and Ranking Member)

Hawaii: Gov. Josh Green signed into law numerous measures to improve campaign finance, lobbying disclosure and ethics. Eighteen bills were signed, making changes including requiring lawmakers to reveal relationships with lobbyists in financial disclosures, prohibiting lobbyist contributions and expenditures to lawmakers during legislative sessions and shortly before and after, among other changes. (Chad Blair, *Honolulu Civil Beat*)

Kentucky: Kentucky Attorney General Daniel Cameron directly solicited donations for his gubernatorial campaign from executives of Edgewater Recovery Centers, a drug treatment organization Cameron’s office began investigating last year, according to an attorney for the organization. The attorney for Edgewater stated the request for contributions occurred during a call Cameron made early this year to an Edgewater representative. A Cameron campaign official made a follow-up call to the same representative and there was an exchange regarding a possible fundraiser that never occurred. Several Edgewater executives later donated \$7,600 to Cameron’s campaign, that the campaign said have since been refunded. However, the solicitations and their timing have led Democratic Gov. Andy Beshear, Cameron’s opponent, to demand an investigation. Cameron issued a statement in response that his “approach” to the Edgewater-related campaign donations has been to “review, recuse and refund.” (Bruce Schreiner, *AP News*)