



Compliance Notes - Vol. 4, Issue 27

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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

A non-partisan election watchdog organization has filed a second complaint against Republican Gov. Ron DeSantis' political campaign, alleging a Toronto-based hedge fund made more than \$167,000 in illegal contributions to his campaign. Campaign Legal Center is asking the Federal Election Commission to investigate ECN Capital Corporation for violating federal campaign finance laws prohibiting contributions from foreign nationals and corporations. According to campaign reports filed with the Florida Secretary of State's office, in 2022, ECN Capital gave more than \$53,000 in contributions to DeSantis and his political committee, Friends of Ron DeSantis. In 2018, the company gave \$50,000 to the Florida Democratic Party, listing a P.O. Box in Toronto as its address. ECN Capital Sr. Vice President of Enterprise Risk John Phillip

Menard said in a statement that the company “is in full compliance with U.S. laws with respect to its U.S. political donations.” (Mary Ellen Klas, *Miami Herald*)

Mississippi: The Mississippi Secretary of State’s office stated the Mississippi Democratic Party (“party”) could face fines and other penalties after failing to file periodic campaign finance reports required under state law. Despite spending funds on a campaign against incumbent Republican Gov. Tate Reeves on a Twitter account called “The Tate Files,” the party did not file a periodic campaign finance report. The Assistant Secretary of State for Elections said the Twitter account constitutes the type of campaign activity that necessitates filing periodic campaign reports. In emails, the party’s Executive Director said the party did not have to file campaign finance reports because they had not engaged in spending that would necessitate reporting. (Ashton Pittman, *Mississippi Free Press*)

Government Ethics & Transparency

Ohio: Former Ohio Republican Party Chairman Matt Borges was sentenced to five years in federal prison in connection with the largest political corruption scandal in Ohio history. Borges worked as a lobbyist for FirstEnergy Solutions and alongside Larry Householder, the former Ohio House Speaker, to impede opposition to a law that gave FirstEnergy a \$1 billion bailout for two aging nuclear power plants in exchange for \$60 million in bribes. The judge ordered Borges to begin serving his sentence immediately instead of allowing him to report to prison on his own. (Adam Ferrise, *cleveland.com*)

Rhode Island: The Rhode Island Ethics Commission voted to launch an investigation into potential ethics violations by the two former state officials accused of “outrageous behavior” during a business trip to Philadelphia. Ethics Commission staff members initiated the complaint against David Patten and James E. Thorsen, alleging their conduct violated ethics laws prohibiting public officials from using their public office to obtain financial gain and accepting impermissible gifts, among other violations. Separately, the Ethics Commission will probe an allegation against House Speaker K. Joseph Shekarch (D-RI) claiming he was involved with legislation that would benefit his clients who had a pending court case. The complaint against Shekarch focuses on a failed attempt to amend the “Right Farm to Act” to allow up to 10 weddings yearly on farms of 15 acres or more. The complaint alleges the bill, that passed the House but not the Senate, would have benefitted Shekarchi’s client, who had an appeal before the state Supreme Court to host weddings on his 32-acre farm. (Edward Fitzpatrick, *Boston Globe*)