



# Compliance Notes - Vol. 4, Issue 31

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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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Federal prosecutors say FTX founder Sam Bankman-Fried will no longer face a campaign finance charge at an October criminal trial, citing a decision by Bahamian authorities to reject a count in the indictment that was not listed on the warrant against Bankman-Fried when he was extradited to the United States in December. In a letter to the district court judge, prosecutors said the Bahamian government notified it that authorities there did not consider the campaign finance charge to be included in Bankman-Fried's extradition. Therefore, prosecutors wrote they would not pursue it at the trial in keeping with U.S. treaty obligations to the Bahamas. (Larry Neumeister, *AP News*)

In a complaint filed with the Federal Election Commission (FEC), Campaign Legal Center alleges a \$500,000 donation to a super PAC supporting Miami Mayor Francis Suarez's (R) 2024 presidential bid may have violated campaign finance laws. The complaint alleges that PassionForest, "an obscure, eleven-month-old company whose only known activity involved selling artificial flowers online," purported to contribute \$500,000 to SOS America PAC. According to the complaint, PassionForest did not have the funds to make such a large donation on its own and was part of a "straw donor" scheme meant to conceal the identities of the true contributors. The complaint alleges that PassionForest was registered in Delaware and maintains a Florida address. However, other information suggests the company's "principal place of business is in China" and may be owned and operated by one or more persons living in China. (Julia Mueller, *The Hill*)

## Government Ethics & Transparency

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**Florida:** A four-vehicle collision in Chattanooga, Tennessee, revealed that Florida Gov. Ron DeSantis (R) has been using state government vehicles for his 2024 presidential campaign. As a result of a recent law shielding the governor's travel records from public view, determining the source of funding for the campaign's use of state resources is nearly impossible. While the DeSantis campaign's federal campaign finance report filed July 15 for the three-month period ending June 30 does not show any payments to the Florida Department of Law Enforcement for travel or security expenses, the report does show the campaign spent \$76,256 on private security firms. The DeSantis campaign did not respond to a request for more information about using state vehicles and personnel. (Erik Uebelacker, *The Daily Beast* & Jeffrey Schweers, *Orlando Sentinel*)

**New York:** Republicans in the state Legislature filed a lawsuit challenging a pending limit on the amount of money New York lawmakers can earn outside their jobs as elected officials. Last year, state lawmakers approved a legislative pay raise from \$110,000 to \$142,000, coupled with an outside income limit. The lawsuit seeks to strike down the \$35,000 income cap set to take effect in early 2025, arguing it unconstitutionally deprives members of "their property interest, particularly their legislative salaries and outside income by imposing restrictions on their businesses and outside income." (Nick Reisman, *Spectrum News*)

**Rhode Island:** The Rhode Island Ethics Commission will investigate Gov. Dan McKee (D) to establish whether or not a free lunch violated state campaign finance laws. A lobbyist representing urban development firm Scout Ltd. paid \$228 for lunch at the Capital Grille with McKee, McKee's campaign fundraising chair and two Scout Ltd. employees. At the time Scout Ltd. was hoping to move ahead with a plan to redevelop the Cranston Street Armory in Providence. Rhode Island's ethics law prohibits public officials from accepting items worth \$25 or more from anyone seeking to do business with the state. The lobbyist said he paid for the lunch at the request of the fundraising chair, and the governor's campaign said they reimbursed the lobbyist for the lunch. According to campaign finance records, the lobbyist's clients also gave McKee two \$500 campaign donations the same day as the lunch. (*AP News*)