



Compliance Notes - Vol. 4, Issue 37

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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 former executive of FTX Digital Markets pleaded guilty to making tens of millions of dollars in illegal campaign contributions to U.S. politicians and engaging in a criminal conspiracy to operate an unlicensed money transfer business. Ryan Salame, the former co-chief executive of FTX, admitted to the court he illegally used millions of dollars from a hedge fund controlled by FTX founder Sam Bankman-Fried to make political contributions in 2020 and 2021, to both Democrats and Republicans. Salame said those donations aimed to fund political initiatives supported by Bankman-Fried, who wanted to support politicians in both parties who were “pro crypto” while working on getting “anti crypto” lawmakers out of office. Salame's sentencing was tentatively scheduled for March. (Jake Offenhartz, *AP News*)

The Federal Election Commission (FEC) issued a notification of request for comment to provide the public with an opportunity to identify concerns with the process for filing required disclosure reports and offer potential solutions and opportunities for improvement. The FEC also seeks comments on improving the organization and substance of its website and how to best provide the public with easily accessible information. The FEC will consider the comments when determining whether to change its policies or processes. Comments must be submitted in writing and are due 60 days after the Notice is published in the Federal Register. (FEC News Release)

Government Ethics & Transparency

New York: A New York state judge ruled that the commission responsible for enforcing ethics rules for New York State employees and elected officials violates the state's constitution because it is too independent. The ruling came in a lawsuit filed by former Gov. Andrew Cuomo, whom has been fighting an attempt by the Commission on Ethics and Lobbying in Government to force him to forfeit \$5 million he got for writing a book about his administration's efforts during the COVID-19 pandemic. The Legislature and Gov. Kathy Hochul created the Commission to replace the previous ethics body criticized for not being independent enough. The judge ruled that the commission's very independence makes it a problem under the state constitution because enforcement of ethics laws is a power that belongs to the executive branch. The judge explained that the commission makes enforcement by the executive branch impossible because the governor can't control its members, force them to explain their actions, or remove them for neglecting their duties. The commission issued a statement saying it would continue to promote compliance with the state's ethics and lobbying laws while the case works through the courts. (Michael Hill, *AP News*)

Virginia: Virginia's House of Delegates commended David M. Poole "for his 26 years of service and exceptional leadership as founder and executive director of the Virginia Public Access Project" (VPAP), acknowledging his instrumental role in enhancing transparency in government and public access to critical information. Resolution HR 605 highlights that since Poole founded VPAP in 1997, he oversaw the organization and presentation of data related to more than 152,000 campaign finance reports, 6.2 million transactions consisting of more than 4.5 million contributions, and 1.5 million expenditures totaling an estimated \$2.5 billion raised and \$2.5 billion spent. (VPAP Updates & HR No. 605)

Ballot Measures & Elections

California: Gov. Gavin Newsom signed into law a bill to change the language on ballots for state referendums to clarify what voters are deciding with their choice. The version of Assembly Bill 421 signed into law focused on changing the options for referendums from "yes" and "no" to "keep the law" and "overturn the law." The new language is expected to take effect next year, just in time for the 2024 ballot. (Danielle Dawson, *FOX 5 San Diego*)

Nevada: A PAC that opposes a \$380 million public funding package to lure the Oakland Athletics to Las Vegas has filed a petition with the Nevada Secretary of State's Office seeking to subject the funding bill to a public vote. Schools Over Stadiums, created by the Nevada State Educators Association following the passage of the funding bill in June, filed a referendum petition seeking to repeal the state tax funding dedicated to stadium bonds. To get a referendum question on the ballot, petition organizers have until June 26, 2024 to collect signatures of at least 10% of the voters who participated in the 2022 general election, or 102,362 signatures. Further, at least 25,591 signatures must be from each of Nevada's four Congressional districts. (Casey Harrison, *Las Vegas Sun*)