



Compliance Notes - Vol. 4, Issue 4

01.25.2023

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

An FBI investigation is underway after Sen. Jerry Moran's (R-Kan.) campaign had hundreds of thousands of dollars stolen by cybercriminals this past fall. According to a spokesperson for the senator and a Federal Election Commission filing, cybercriminals targeted the accounting firm used by Moran's campaign and sent two wires to fraudulent bank accounts for invoices totaling \$690,000. Cyberattacks against political campaign funding emerged as a growing threat during the 2018 midterms, with some tactics including transferring money or cutting off donations. (Herb Scribner, *Axios*)

An American businesswoman was sentenced to two years in prison for her role in an unregistered lobbying campaign of the Trump administration and the Department of Justice to drop an investigation into Malaysian wealth fund 1MDB and arrange for the return of a People's Republic of China (PRC) dissident living in the United States. Nickie Mali Lum Davis, of Honolulu, was paid \$3 million for her role in the scheme, which she agreed to forfeit as part of her plea agreement. (Department of Justice Press Release)

Idaho: The Idaho Legislature's House State Affairs Committee introduced a new bill that would create a mandatory waiting period before certain officials could register as lobbyists after leaving office. If passed, the bipartisan bill would prohibit legislators, executive branch employees and other elected officials from registering during the next regular legislative session and for a least six months after the termination of service. The bill is intended to create a cooling-off period to increase transparency and public confidence. (Clark Corbin, *Idaho Capital Sun*)

Virginia: A bipartisan group of members on Virginia's Senate Privileges and Elections Committee voted to defeat a bill that would have banned political donations from publicly regulated utilities. Senators on the committee noted that critics of utility companies put large sums of money behind candidates adverse to utility companies, and the bill would have left those companies defenseless. The same committee also voted to defeat a bill that would have created an across-the-board \$20,000 cap on donations to candidates running for the General Assembly and executive branch offices. (Graham Moomaw, *Virginia Mercury*)

Government Ethics & Transparency

New York: Attorney General Letitia James nominated Ava Ayers, Associate Professor at Albany Law School, to the New York Commission on Ethics in Lobbying and Government. Members of the public have seven days to submit comments on the nominee. Ayers previously served as Senior Assistant Solicitor General for the Office of the Attorney General and as a law clerk for judges on the U.S. Court of Appeals for the Second Circuit and the U.S. District Court for the Southern District of New York. After the comment period, the nominee will be reviewed by the Independent Review Committee of New York's law school deans for approval or denial to serve on the commission. (Sun Staff, *Genesee Sun*)

Ohio: The corruption trial of former Ohio House Speaker Larry Householder began on January 23, 2023 in Cincinnati. Former Speaker Householder is accused of conspiring with Akron-based FirstEnergy Corp. in a pay-to-play scandal to pass legislation to save two private nuclear power plants in a billion-dollar bailout. According to prosecutors, a nonprofit organization received about \$60 million secretly provided by FirstEnergy to secure Householder's power, elect allied lawmakers and fight a petition to repeal the bailout. Investigators also allege that Householder used the money to pay off private credit card debt, legal fees and home expenses. (Julie Carr Smyth, *AP News*)