



Compliance Notes - Vol. 4, Issue 41

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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

Nancy Marks, U.S. Rep. George Santos's former treasurer, pleaded guilty to a fraud conspiracy charge and implicated Santos (R-N.Y.) in a scheme to embellish his campaign finance reports with a fake loan and fake donors. When Marks entered the plea, she briefly outlined a scam she said was intended to deceive Republican Party officials into throwing their support behind Santos, who at the time had lost an earlier race for Congress and was struggling to get financial support for a second run. To impress party leaders, Marks said Santos submitted false campaign finance reports stating Santos loaned his campaign \$500,000, even though, in reality, Santos did not have that kind of money and the loan did not exist. The fake loan made Santos look much richer than he was and helped him hit the fundraising thresholds needed to qualify for

backing from a national GOP committee. Marks also said she had provided the Federal Elections Commission with a fake list of people who had supposedly given large donations to the campaign. (Jake Offenhartz, *AP News*)

Government Ethics & Transparency

Arkansas: Gov. Sarah Huckabee Sanders said an internal investigation into an allegation that documents were altered or omitted by members of her staff is unnecessary. The documents were in response to a Freedom of Information Act request regarding the \$19,000 lectern paid for by her administration, known widely as Podiumgate. According to an anonymous whistleblower's attorney, the whistleblower claims Arkansas Gov. Sarah Huckabee Sanders' office improperly altered and withheld public records related to ongoing scrutiny of the office's spending. The whistleblower's attorney sent a letter to state Sen. Jimmy Hickey, R-Texarkana, offering his client's testimony and documents to aid a requested legislative audit. Speaking about the Joint Audit Committee meeting Sanders said, "we are happy to continue to work with our partners in the Legislature." (Worth Sparkman, *Axios*)

Maine: Maine's privacy law protecting voters' personal information is in question after a panel of First Circuit judges suggested an election law firm has standing to sue the secretary of state. The Public Interest Legal Foundation (PILF) is suing Maine over its law preventing people who obtain personal information from its central voter registration system from republishing it online. PILF argues that the information is crucial to monitoring states' compliance with voter list laws and analyzing registration data. The state says its privacy law is essential to protect voters from having their confidential information distributed by organizations accusing them of committing voter fraud. The state claims the file is not bound to the National Voter Registration Act's (NVRA) public disclosure rule because it has nothing to do with the regular maintenance of the list the state conducts to ensure its accuracy, an activity that the NVRA would cover. The U.S. Department of Justice wrote an amicus brief arguing that Maine is required to disclose the voter file and urged the First Circuit to let Maine's Supreme Judicial Court weigh in on the privacy law's scope. (Allie Reed, *Bloomberg Law News Release: Secretary of State, State of Maine*)

Michigan: Inkster Mayor Patrick Wimberly was indicted in federal court and accused of receiving \$50,000 in bribes, throwing next month's election into disarray as Wimberly becomes the latest public official accused of wrongdoing in a broader federal probe into corruption in Metro Detroit. Federal prosecutors allege that between September 2022 through April 2023, Wimberly demanded cash to facilitate the sale of city-owned property to an unidentified "outside party." According to prosecutors, the person gave to Wimberly monthly \$5,000 cash bribes until Wimberly demanded more, and the person started paying \$10,000 each month. The indictment describes a series of secret meetings between Wimberly and the developer, including exchanges at the mayor's home and inside his car where numerous payoffs occurred. If convicted, Wimberly could be sentenced to up to 10 years in prison and ordered to pay a \$250,000 fine. (Robert Snell, *The Detroit News*)

Nevada: Attorneys for Gov. Joe Lombardo have filed a lawsuit appealing the Nevada Commission on Ethics decision to censure and fine the governor for using his Clark County sheriff uniform and badge on the 2022 campaign trail. In July, the Commission issued the censure and \$20,000 fine, marking the third-largest penalty imposed by the body charged with interpreting and enforcing Nevada's ethics laws for local and most state employees or elected officials outside the legislative and judicial branches. The governor's appeal challenges the constitutional authority of the Commission itself, arguing that because the Legislature appointed some commission members, the July decision violates the state constitution's separation of

powers principle. The Commission declined to comment on the pending litigation. (Tabitha Mueller, *The Nevada Independent*)