



# Compliance Notes - Vol. 4, Issue 42

10.19.2023

## 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**

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Under a new bill proposed by two House Republicans, colleges and universities would have to report more foreign gifts based on value and could lose access to federal financial aid if they do not comply. The "Defending Education Transparency and Ending Rogue Regimes Engaging in Nefarious Transactions (DETERRENT) Act" would lower the threshold for reporting foreign gifts from \$250,000 to \$50,000. It would also bar colleges and universities from contracting with "countries of concern". The bill would also require universities to disclose gifts made to staff and faculty at research-heavy institutions, and private institutions with endowments greater than \$6 billion would have to report any foreign investments in their endowments, among other changes. (Katherine Knott, *Inside Higher Ed*) (Text of Bill)

U.S. Representative George Santos (R-N.Y.) is facing additional criminal charges, with prosecutors accusing him of inflating his campaign's fundraising numbers and charging campaign contributors' credit cards without their consent. According to the superseding indictment, Santos and his former treasurer falsely reported to the Federal Election Commission (FEC) that their family members had made significant financial contributions. Prosecutors say the false reports made it appear that Santos' campaign had raised at least \$250,000 from outside donors in a quarter, the threshold to qualify for financial and logistical support from the Republican Party. The superseding indictment alleges Santos also told the FEC he had made a \$500,000 loan to his campaign when he had just \$8,000 in his bank accounts. The week of October 9th, Santos's treasurer pleaded guilty to a conspiracy charge. (*Reuters*)

**Maryland:** The State prosecutor and State Administrator of Elections announced the 1776 Project PAC was fined \$20,250 for sending 13,879 text messages to Carroll County voters in the 2022 School Board Election. Maryland law requires campaign messages sent on behalf of candidates to record who paid for the information to be distributed, whether it is a yard sign, a pamphlet or a digital advertisement. The texts sent to voters did not contain an authority line or information stating that the 1776 Project PAC paid for the text. According to the announcement, while authority line violations have traditionally been sanctioned with minimal citations, new technological advancements in communication require more scrutiny to ensure the public knows who paid for the information they receive about candidates. (*Carroll County Observer*)

**Massachusetts:** A former Massachusetts congressional candidate accused of using donations to pay business debts and real estate taxes was convicted last week of violating federal election law and making false statements. Abhijit "Beej" Das was accused of soliciting at least \$125,000 in illegal campaign contributions from friends and family. He was convicted of accepting excessive campaign contributions, causing conduit contributions to be made, conversion of campaign funds to personal use and making false statements. Each charge carries a maximum sentence of five years in prison and fines. It is unclear when he will be sentenced. (*AP News*)

## Government Ethics & Transparency

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Federal prosecutors have charged Sen. Bob Menendez (D-N.J.) with conspiring to act as a foreign agent on behalf of Egypt. The recent charge comes after Menendez and his wife were indicted in an alleged bribery scheme in September, 2023. In a superseding indictment, prosecutors charged Menendez under a law that bans public officials from undertaking action covered by the Foreign Agents Registration Act, which requires those acting on behalf of foreign governments, companies and other entities to register with the U.S. Department of Justice. The superseding indictment alleges Menendez conspired with his wife and an Egyptian-American businessman to perform "a series of acts on behalf of Egypt, including on behalf of Egyptian military and intelligence officials." (Sareen Habeshian, *Axios*)

## Ballot Measures & Elections

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**Louisiana:** Voters changed the state Constitution on Saturday by approving a ballot measure to ban the use of financial or other donations from a nongovernmental source or a foreign government to administer elections under most circumstances. Supporters believed that allowing non-government sources to help pay for elections would let those sources have undue influence in the management of election operations and that donations could be skewed to specific parishes based on the partisan leanings of the voting majority who lives there. The measure passed with 73% of the vote. (Greg Hilburn, *Shreveport Times*)