



M U L T I S T A T E

[State Sen. Brian Kelsey, Nashville club owner indicted in campaign finance conspiracy](#) (Tennessee)

Tennessee Sen. Brian Kelsey has been indicted in a campaign finance conspiracy alongside a Nashville social club owner, the U.S. Attorney's Office in Nashville announced Monday.

A federal grand jury returned a five-count indictment charging Kelsey, 43, and club owner Joshua Smith, 44, with violating multiple campaign finance laws as part of a conspiracy to benefit Kelsey's 2016 campaign for U.S. Congress.

Smith owns The Standard, [an elite Nashville club](#) that also operates its own state political action committee. There, the investigators allege, they illegally funneled money into Kelsey's campaign on one occasion at a private dinner on July 11, 2016 through the club's PAC.

The Tennessean [first reported on the questionable campaign finance donations in 2017](#). After The Tennessean's 2017 report, a watchdog group filed a complaint with the Federal Election Commission and sent a letter to the U.S. Department of Justice saying Kelsey and others may have been involved in illegal straw donations, inappropriate coordination and other possible wrongdoing.

Kelsey, R-Germantown, and Smith are accused of secretly and illegally shuffling "soft money" from Kelsey's Tennessee state Senate campaign committee to his authorized federal campaign committee.

"Soft money" includes funds that are not subject to the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act. Federal law caps campaign donations to \$2,700 from any one individual or organization to a single candidate in each election.

The indictment alleges Kelsey, Smith and other unindicted co-conspirators funneled tens of thousands of dollars between February 2016 and October 2016 to Kelsey's federal campaign for the 8th Congressional District.

In a brief news conference Monday afternoon, Kelsey and his attorney Ty Howard defended the senator. Kelsey called his charges "a political witch hunt" and blamed it on President Joe Biden and Democrats. The investigation into his campaign finances has been ongoing for years and started before Biden was president.

"I am totally innocent," Kelsey said.

Kelsey was the [subject of a federal grand jury probe as early as 2019](#) when Republican President Donald Trump was in office. "I welcome any investigation because all donations were made in compliance with the law and on the advice of counsel," Kelsey said in 2019.

Howard refused to take questions during the news conference and said they wouldn't make any further comments pending the legal outcome.

Smith sent an email to The Standard members Monday morning. He said the PAC was dissolved in 2018 and said that \$60,000 passed through the PAC and was contributed to a political organization, according to the email obtained by The Tennessean.

He told clients he was "an open book" about the investigation, which he is cooperating with, according to the email. He didn't acknowledge the charges he was facing.

A person answering the phone at the club said Smith was out of the country and unable to comment. His lawyer, Hal Hardin, told the Associated Press that he and his client "look forward to presenting our proof to an impartial jury and judge."

While only Kelsey and Smith were named in the indictment, several others were described by their jobs and relationships to the two, including ousted Rep. Jeremy Durham and Kelsey's wife.

One of the unnamed, unindicted co-conspirators was an attorney and member of the state House until getting expelled in 2016, according to the indictment. Durham, R-Franklin, was the only lawmaker expelled from the House during that period. It's unclear who the other unnamed, unindicted co-conspirator is.

Kelsey's wife, Amanda Bunning Kelsey, isn't named in the indictment but referred to as "Individual 1." She was the Director of Government Affairs for the American Conservative Union and on its senior management team from 2015 through March 2017, where she managed the organization's political expenditures during the 2016 federal election. The couple got engaged in July 2017 and married in January 2018.

The American Conservative Union is a national organization based in Virginia that advocates for conservative policies, ranks politicians based on their level of conservatism and organizes the Conservative Political Action Conference.

A spokesperson for the prominent nonprofit conservative organization told The Associated Press Monday that it has been “fully cooperating with this investigation since 2018.”

“We take compliance seriously, and are very proud of the work we continue to do to advocate for conservatism,” wrote Regina Bratton. “Neither ACU nor any member of the board is a subject or target of this investigation.”

Soft money was secretly funneled from Kelsey's Tennessee state Senate campaign committee to the American Conservative Union, according to the indictment. The money was then sent to Kelsey's federal campaign.

The American Conservative Union, along with Kelsey's federal campaign committee, filed false reports of contributions to conceal the money, the indictment shows. The organization lied to the Federal Election Commission about ads it paid for in support of Kelsey, saying they were independent, according to the indictment. But the investigation showed that they illegally coordinated in secret with Kelsey and his agents, the indictment contends, according to federal authorities.

Bunning Kelsey, who previously worked as an assistant to U.S. Senate Majority Leader Mitch McConnell, R-Kentucky, signed a document filed with the Federal Election Commission related to the American Conservative Union's \$80,000 ad buy in support of Kelsey's campaign. She now works for the Ingram Group.

Investigators determined the conspirators spent more than \$106,000 of the state committee's funds to influence Kelsey's 2016 election. They secretly moved \$91,000 to the American Conservative Union to fund advertisements for Kelsey, according to the indictment. The American Conservative Union also made \$80,000 worth of hidden contributions, the indictment alleges.

The indictment outlines stealthy movements the conspirators made shuffling tens of thousands of dollars into Kelsey's campaign through a complicated web of transactions.

Kelsey and Smith both face charges of conspiracy; illegally transferring “soft money” as a federal candidate and his agent; and illegally transferring “soft money” as a state officeholder and his

agent. Kelsey also faces charges of making excessive contributions to a federal campaign and accepting excessive contributions.

A court issued a summons and Kelsey and Smith have both been told to surrender to the U.S. Marshals by Nov. 5 at 10 a.m. Both will then appear before a U.S. Magistrate judge. If convicted, each could face up to five years in prison and a \$250,000 fine on each count.

Kelsey's role in the legislature

Kelsey has served in Tennessee General Assembly since 2009 and in 2016 ran unsuccessfully in a 10-way race for the Republican nomination for the 8th Congressional District. U.S. Rep. David Kustoff, R-Germantown, ultimately won the primary and went on to win the general election.

Since then, Kelsey has emerged as a leading voice in the Tennessee General Assembly on a range of conservative issues. He pushed for Gov. Bill Lee's education savings account program, a type of school voucher, and in his role as an attorney for the Liberty Justice Center even argued on for the program in court.

Earlier this year, he backed the law to ban the teaching of critical race theory in K-12 public schools in Tennessee and currently serves as the chair of the Senate Education Committee.

In that role, Kelsey serves on the steering committee for Lee's effort to overhaul how the state funds education. The Lee administration is starting a 90-day public comment period to gain input. But Monday's indictment could put Kelsey's role in that endeavor in jeopardy.

According to Senate ethics rules, an indicted senator who serves as a chair may request a hearing by the Committee on Ethics to determine whether he should be suspended from his position as long as the indictment is actively being pursued.

"If such Senator fails to make such request by the end of the tenth calendar day after the indictment, then the suspension will take effect and will continue as long as the indictment is being actively pursued, as determined by the Committee on Ethics," according to the Senate rules.

If Kelsey is convicted, he would no longer be qualified to serve in the state Senate.

"I am obviously saddened by this news. It is important to remember that under our laws, Senator Kelsey is innocent until proven guilty," Lt. Gov. Randy McNally, R-Oak Ridge, said in an emailed statement Monday. "He will have the opportunity to answer this indictment in the

coming days. I have confidence in our judicial system and will reserve judgment and comment at this point in order to allow the process to unfold.”

Kelsey is the second sitting state senator facing federal criminal charges, both representing areas of Shelby County. State Sen. Katrina Robinson, D-Memphis, was found guilty of four counts of fraud after a two-week jury trial that ended Sept. 30.

Congressman working on Harrisburg bill to curb lobbyist influence (Pennsylvania)

The House of Representatives of Pennsylvania restricted gifts from lobbyists on Monday, banning them from trying to influence elected officials who also worked as election strategists. Began to push forward with a bill package aimed at the influence of Harrisburg. ..

The bill was passed by the House State Commission and requires voting in both the House and Senate to reach Governor Tom Wolf.

One of the highlights of the bill is to ban lobbyists, including lawmakers, from paying transportation, accommodation, entertainment, and entertainment, and limit lobbyist gifts to \$ 250 each year.

Wolff banned employees under his jurisdiction from receiving any amount of gifts in 2015, but legislators have refused to receive an unlimited amount of gifts from those who are trying to influence them. I allow it.

As a result, MarchOnHarrisburg demonstrators have recently suspended legislative voting sessions, protested at lawmakers' offices, and launched a “stop bribery” campaign for lawmakers.

The gift ban law was previously introduced and died.

However, Marchion Harrisburg Executive Director Michael Pollock has now made enough key members of the House and Senate Republican leaders to win the passage of what the group considers to be an essential anti-corruption measure. He said he was optimistic that he could get involved.

Members of MarchOnHarrisburg were unsuccessful in seeking commitment from Acting Senator Jake Corman. They also appeared in a golf course fundraiser earlier this month and tried to tell him about it at the Capitol on Monday.

“He got out of the conversation as soon as possible with ‘no comment,’” Pollock said.

Corman’s office individually declined to comment on whether he supported the ban on gifts.

Pennsylvania state legislators and other candidates can continue to accept election contributions from anyone, including lobbyists, state agencies, and those who sign contracts with the state legislature.

Pennsylvania lobbyists, their clients, and trade associations also regularly offer lawmakers tickets to free meals, travel, sporting events, destination meetings, or recreational facilities.

According to the National Assembly of Parliament, most other states have legislation that limits the range of gifts a member can receive.

After the scandal, Pennsylvania lawmakers approved internal chamber of commerce rules banning most types of cash gifts to members in 2014, but imposed so-called pay-to-play rules and made election donations. There was no movement to limit it.

Another highlight bill is for lobbyists or lobbying companies that also provide campaign management services. The bill has been complaining about the growing influence of such companies in relation to the top GOP lawmakers, with a small number of Republican state senators since at least 2015.

Under that, lobbyists are prohibited from attempting to influence state or civil servant employees after serving as a civil servant campaign consultant.

The ban lasts for the chosen period and also applies to lobbyists who have a financial interest in the company that provided the campaign service.

Another bill targets revolving doors between lobbyists and state legislature officials. It would prohibit legislative employees from lobbying for a year from a colleague of a former lobbying company.

Some bills address transparency.

Lobbyists need to strengthen their reporting to the state by disclosing ownership of lobbying companies. The second is when the lobbying company requires the instance to be disclosed when the lobbying company asks the client to waive a conflict of interest with another client.

Another bill prohibits lobbyists, lobbying companies, and their clients from giving and receiving referral fees.

Yet another bill would prohibit one state entity from hiring lobbyists or campaign consultants to influence another state entity.

[Investigations mount into campaign finance complaints filed against Tina Peters](#) (Colorado)

The Secretary of State's Office announced on Monday that it's investigating a second complaint alleging campaign finance violations by Mesa County Clerk and Recorder Tina Peters.

The two complaints are related and both were filed by Scott Beilfuss, co-chair of the Mesa County Democratic Party.

The first, [filed Aug. 16](#), charges Peters failed to report campaign contributions and accepted gifts in excess of the amount allowed by state law when she accepted a trip from MyPillow CEO Mike Lindell to a symposium on election fraud the prominent supporter of former President Donald Trump sponsored in South Dakota.

The second complaint, [filed Sept. 24](#), says Peters failed to respond to a request to fix or "cure" a campaign finance report during a 10-day window that allows candidates and others who file reports with the Secretary of State's Office to correct errors and provide required information that was omitted from an earlier report.

Peters, a Republican, has been engaged in a months-long public dispute with Colorado's Democratic secretary of state, Jena Griswold, over allegations Peters was involved in an election equipment security breach earlier this summer. Last week, the Colorado Supreme Court allowed a ruling to stand in a lawsuit brought by Griswold that prohibits Peters and her deputy from having a role in the November election.

Peters is facing local, state and federal criminal investigations into allegations she allowed the leak of sensitive election data she claims will prove the results of the 2020 election were manipulated, though that proof has yet to emerge.

Peters didn't respond to a notice involving the first complaint. The Secretary of State's Office says the investigation into the second complaint will be finished by Nov. 24.

The complaints filed by Beilfuss, however, could instead be covered by another state agency, since gifts to public officials fall under the jurisdiction of the state's Independent Ethics Commission, not the Secretary of State's Office.

Colorado law forbids elected officials and public employees from accepting gifts worth more than \$65 or from accepting gifts in any amount from registered lobbyists. A complaint filed with the ethics panel by Anne Landman of Mesa County charges that's what Peters did when she accepted the trip to South Dakota on Lindell's private plane. That complaint is pending initial review by the commission, which moves at a slower pace than the Secretary of State's Office.

Peters didn't immediately respond to a request for comment.

She hasn't responded to another investigation ordered by the Secretary of State's Office on Oct. 6 into allegations the embattled county clerk is violating the state gift ban by soliciting and accepting contributions to a legal defense fund she established.

According to the law, that fund has to be set up to prevent lobbyists from donating and also must make contributions public, [Colorado Politics reported](#) last month. The complaint, filed by Beilfuss, charges Peters with taking neither required step.

The Secretary of State's Office on Oct. 8 gave Peters 10 days to report any contributions of more than \$20 in campaign finance filings, though Peters doesn't have an active campaign account and hasn't formally declared she's seeking a second term in next year's election.