



# M U L T I S T A T E

## [Ohio's 'cowboy' gubernatorial candidate Joe Blystone may have to refund campaign donations](#) (Ohio)

[Canal Winchester-area farmer Joe Blystone's](#) fast-and-loose approach to collecting donations for his governor's campaign might have caught up with him.

Ohio Secretary of State Frank LaRose's office advised Blystone that if he didn't clean up his books, he might have to refund improper campaign donations.

Among the problems revealed in a routine examination:

- Blystone's campaign collected \$101,000 in cash donations exceeding \$100, which is not allowed under campaign finance laws. If he has to refund the excess, it would total about \$86,000.
- Blystone's campaign reported \$1,100 contributions from corporations, which cannot donate to individuals running for office.
- Another \$132,000 might need to be refunded if the donors were corporations. The list includes contributions from "Blystone" and "Vaughn Industr." Some of these expenses overlap with those that collected more than \$100 in cash.

Blystone's campaign last reported \$214,000 on hand, so any sizable refund could be a blow to his finances. He is challenging Gov. Mike DeWine, former U.S. Rep. Jim Renacci and former state Rep. Ron Hood in the Republican primary, slated for May 3.

Blystone's books have been a mess for months, collecting contributions of \$25 or less in an "uncharacteristic frequency and amount," according to the review.

Other problems included unclear or vague expenditures, such as "food" and "sleep." According to the audit, "an expenditure is listed within the report from "#Name?," dated 10/28/2021, in the amount of \$141.57."

Approximately 126 found expenses did not list a purpose. Blystone's treasurer, who is the candidate's wife, has until March 31 to respond to the issues raised.

The Ohio Secretary of State's office will work with Blystone, as it does every candidate, to bring its reports into compliance, LaRose spokesman Rob Nichols said. If not, the campaign could face an Ohio Elections Commission probe.

Blystone's former campaign manager has already filed a complaint about Blystone's finances with the Ohio Elections Commission. That review was placed on pause after Blystone's campaign filed a lawsuit in Franklin County Common Pleas Court. The commission has asked a judge to dismiss that lawsuit.

[Asked about the problems in February, Blystone said his campaign](#) didn't intentionally violate Ohio's rules.

"Am I saying that everything was done efficiently and effectively per the Ohio Revised Code? I hope that everything is perfect, but the campaign finance regulations are very convoluted," Blystone said. "If we made a mistake, we'll fix it. It's just as simple as that, but we didn't go out there trying to defraud the campaign finance."

Blystone's campaign manager Bryan Robson said the issues cited were "clerical errors or omissions of required information."

"We are in the process of rectifying these errors and omissions," he said.

[Former Charlotte city councilman apologizes for failing to file his campaign finance reports for 3 years](#) (Charlotte, North Carolina)

A former Charlotte city councilman who's running for his old At-Large seat again is also asking for voters' forgiveness for making almost 3 years worth of mistakes.

James "Smuggie" Mitchell has failed to file his campaign finance reports with the Mecklenburg County Board of Elections Office for almost three years. The last campaign finance report filed by Mitchell was in July of 2019.

So he has gone almost three years not reporting any information surrounding his campaign donors, how much money is in his account, and where he's spending it.

Mitchell spent almost twenty years on the Charlotte City Council, representing district two, and later as an At-Large Member. But last year Mitchell resigned due to a conflict of interest when he got a job as the CEO of a construction company that did business with the City. He stepped down from R.J. Leeper Construction last summer and decided to run for his old At-Large seat on the Council.

But even when Mitchell was a sitting member on the Council, he wasn't filing his campaign's financial reports. For a veteran politician, that's a pretty big requirement to overlook.

Queen City News Chief Political Correspondent Emma Withrow spoke to Mitchell on the phone, on Thursday, and asked him why he failed to report his campaign's finances for so long.

"I take full responsibility. And wasn't, wasn't staying on top of it. So that's totally my fault. It was just an overlook on my part, not knowing that they were not filed. So that's something I should have been on top of," Mitchell explained.

This was an overlook that can result in thousands of dollars in fines from the State Board of Elections Office, and public mistrust for not disclosing where your campaign money came from and what you're spending it on. Filing this paperwork isn't an option, it's required by law if you're running for office.

"The longer you go, the more you're fined," said Kristin Mavromatis, PIO Manager for the Mecklenburg County Board of Elections.

Mavromatis said their office has flagged Mitchell's lack of reporting for years now and has sent these missed filings to the State BOE.

"He's just numerous reports behind because he's obviously hasn't filed anything in two years," Mavromatis said.

Withrow asked Mavromatis: "Is there any record of how much money he has in his account? Or who's donated to him?"

"No cause he hasn't filed the reports. That's what the reports are for. So we know nothing," Mavromatis answered.

Withrow reached out to the State Board of Elections Office to find out how much Mitchell owes, and whether or not there will be an investigation done, they did not immediately respond.

## [Crypto's fintech upheaval starts in New York](#) (New York)

Last month, I [wrote](#) about how New York is becoming a key battleground for crypto legislation. Lobbying groups upped their resources in Albany in an attempt to shape the 20-plus crypto-related bills introduced since the start of the year.

Key issues in New York include BitLicense requirements — which grant crypto companies permission to operate and sell certain products — and a potential moratorium on all crypto-mining activities in the state.

Last week, the Blockchain Association announced its first dedicated lobbyist in Albany. The crypto advocacy group, which represents more than 80 companies, hadn't previously worked at the state level. I interviewed John Olsen (New York State lead) and Graham Newhall (communications adviser) from the Blockchain Association to understand what's at stake here and how it could impact the national regulatory landscape.

New York is an emerging hub for crypto and could serve as a legislative blueprint for other states.

- In some regards, New York makes for an obvious home for crypto: It's the financial capital of the world, and attracts top tech talent. Mayor Eric Adams [wants](#) New York City to become "the center of the cryptocurrency industry." And the state superintendent of the Department of Financial Services [sat on the board](#) of the Digital Dollar Foundation.
- But New York is also a deep blue state, and it's competing to lure crypto companies away from states such as Texas and Florida that aren't as keen on regulating business interests.
- While crypto has become a partisan issue at the national level, it hasn't yet in state legislatures. That presents an opportunity to shape policy early.
- "I don't think there's been an opportunity for partisan divide, simply because there's not enough people who are really understanding of the underlying technology," Olsen told Protocol. "We are here to start that education process in terms of demonstrating the potential benefits of blockchain applications."
- Dozens of other U.S. states are [beginning to form](#) their stances on crypto, and New York could set the tone. "Once you have a precedent, it's very easy to say, 'Well, we can do that here,'" said Olsen. "State legislators talk all the time. They're constantly meeting at conferences and sharing ideas ... The socialization of certain policy is very easy, especially with states that neighbor each other or have economic packs or things like that."

And the crypto battle has increasingly become a [state](#) — not federal — issue.

- “The speed at which state legislation or regulation can move is really why the Blockchain Association has decided to venture into state-level engagement,” said Olsen.
- And that aforementioned partisan divide at the federal level is slowing down the legislative process. Sen. Elizabeth Warren [introduced](#) a tough-on-crypto bill in the [Digital Asset Sanctions Compliance Enhancement Act](#), but it hasn’t yet attracted Republican co-sponsors.

But as the crypto industry promotes a political message, it risks alienating its core support base. I always thought that crypto utopianists — like all other utopianists — were a bit naive. This cohort thought that crypto alone would be able to usher in a post-national era of global politics, freeing the masses from an oppressive and centralized financial system. But when the crypto lobby courts politicians, it often contradicts this foundational promise. For instance, industry executives [assured](#) senators earlier this week that they could stamp out the use of crypto in Venezuela, Iran and North Korea. So which is it? Is crypto a docile system that presents no threat to the current world order, meaning it isn’t as revolutionary as it once claimed? Or is it a wolf in sheep’s clothing, waiting to strip off the wool once the farmer is old and feeble? U.S. politicians only have one chance to figure it out.

### [Nebraska Lt Gov Accused of Improper Campaign Fundraising](#) (Nebraska)

A state lawmaker from Lincoln has accused [Nebraska](#) Lt. Gov. Mike Foley of flouting state campaign finance law and is calling for Foley — who is now running for state auditor — to divest his campaign of tens of thousands of dollars.

State law does not allow lieutenant governors to have a campaign committee separate from the state’s governor, as both run on the same campaign ticket, the Lincoln Journal Star reported. Foley himself voted for that law when he was a state senator in the early 2000s.

Sen. Adam Morfeld said Thursday in a news release that Foley ignored that law when he kept his campaign committee from his 2014 failed primary election run for governor — titled “Foley For the People — Governor” — even after now-Gov. Pete Ricketts named Foley as his running mate.

“Foley continued to raise money every year since being elected lieutenant governor into the campaign committee,” Morfeld said.

Foley is now using that money to run for state auditor, said Morfeld, who is running this year for Lancaster County Attorney, the county's top prosecutor.

Foley denied any wrongdoing, telling the Journal Star that he followed “explicit guidance” provided by the Nebraska Accountability and Disclosure Commission on how to comply with the law.

### **[US Rep. Jeff Fortenberry of Nebraska Announces Resignation](#)** (Nebraska/Federal)

Republican U.S. Rep. Jeff Fortenberry of Nebraska on Saturday resigned from office after a California jury convicted him of lying to federal authorities about an illegal campaign donation from a foreign national.

“It has been my honor to serve with you in the United States House of Representatives,” he said in the letter. “Due to the difficulties of my current circumstances, I can no longer effectively serve.”

Fortenberry's resignation letter opened with a poem, “Do It Anyway,” that's associated with fellow Catholic Mother Teresa. One line from the poem says: “What you spend years building, someone could destroy overnight. Build anyway.”

Fortenberry's announcement followed concerted pressure from political leaders in Nebraska and Washington for him to step down. House Speaker Nancy Pelosi and House Minority Leader Kevin McCarthy on Friday urged Fortenberry to resign.

Nebraska Republican Gov. Pete Ricketts said Fortenberry should “do the right thing for his constituents” and leave the office he has held since 2005.

Fortenberry was indicted in October after authorities said he lied to FBI agents in two separate interviews about his knowledge of an illegal \$30,000 contribution from his campaign from a foreign billionaire. Fortenberry was interviewed at his home in Lincoln, and then again with his lawyers present in Washington, D.C.

At trial, prosecutors presented recorded phone conversations in which Fortenberry was repeatedly warned that the contributions came from Gilbert Chagoury, a Nigerian billionaire of Lebanese descent. The donations were funneled through three strawmen at a 2016 fundraiser in Los Angeles.

Fortenberry's withdrawal from the primary leaves state Sen. Mike Flood as the likely GOP nominee. The former speaker of the Nebraska Legislature, who has won endorsements from Ricketts and former Gov. Dave Heineman, has a strong advantage in the Republican-leaning 1st

Congressional District. State Sen. Patty Pansing Brooks, a Democrat from Lincoln, is also running for the seat.

In a statement from his campaign, Flood thanked Fortenberry for “his many years of honorable service” and wished him and his family the best.

“Working together, we will keep this seat in Republican hands,” Flood said, promising to “continue the fight for our families, our economy and our conservative values in Congress.”

Pansing Brooks said Fortenberry’s conviction is a “wake-up call” that the district needs a change.

In a statement Saturday, Pansing Brooks said: “This opens the door for a new approach to serving (the 1st Congressional District). I am ready and able to meet that challenge and lead with integrity.”

The timing of Fortenberry's resignation is expected to trigger a special election. Governors aren't able to appoint a person to the seat.

Under Nebraska state law, the governor has to schedule a special election within 90 days once a congressional seat becomes vacant. Each political party gets to pick a nominee who will run to serve the remainder of the congressional member's term.

Flood and Pansing Brooks will both run in the special election to fill the seat and run in November so they can serve the subsequent term.

Nebraska's primary is May 10. Because counties have already mailed ballots to military members serving abroad and other absentee voters, it's too late to remove Fortenberry's name from the primary ballot. Election officials have said there isn't time to schedule a special election to coincide with the primary.

