



M U L T I S T A T E

**Lawmakers push ethics, campaign finance reform bill in wake of federal investigation** (Tennessee)

Lawmakers are proposing a new set of ethics and campaign finance reforms after a former legislator pleaded guilty to wire fraud in an ongoing federal investigation looming over the former House speaker.

The legislation would enhance several disclosure laws around campaign service companies and political action committees with the hope of identifying fraudulent activity more quickly.

"It's a good bill but doesn't solve all our problems," said Dick Williams, chairman of Common Cause Tennessee. "I'm not sure there is a way to solve the issue of someone lying, but the bill tweaks a lot of what we already have in law."

Republican leadership in the Senate and House are sponsoring the bill, a rarity usually reserved for priority legislation.

The legislation closely follows increased scrutiny on activities from former Rep. Robin Smith, R-Hixson, Rep. Glen Casada, R-Franklin, and Casada's former top aide Cade Cothren.

Smith pleaded guilty to a federal wire fraud charge for her involvement with the shadowy firm Phoenix Solutions last month.

Smith's charging documents alleged Casada and Cothren were involved in a kickback scheme that netted business from multiple lawmakers and House legislative services.

Neither have been charged in the case.

On March 28, several House members and legislative staff testified to a grand jury.

Casada appeared at a Williamson County Policy Talks forum on March 2, where he declined to answer questions from The Tennessean about the investigation.

"Don't ask me any questions about it; y'all know I can't talk about it," Casada said.

Cothren hasn't returned messages seeking comment.

### *Providing additional safeguards to campaign finance law*

The bill would require lawmakers to disclose any compensation they received from a company providing campaign services and require the company to disclose its payouts. These provisions directly respond to activities brought up in Smith's federal wire fraud case.

Lawmakers involved with the Republican's Tennessee Legislative Campaign Committee said Smith used her position to advocate for spending money with Phoenix under false pretenses. Prosecutors alleged Smith and Casada helped Cothren shield his identity from lawmakers while running the firm, as he had previously resigned from the General Assembly amid a racist and misogynist texting scandal.

The campaign committee spent around \$40,000 with Phoenix Solutions.

The Senate version passed a key committee on Tuesday, while the House bill is likely to get a hearing in committee next week.

Lt. Gov. Randy McNally, R-Oak Ridge, was confident the bill would pass before the end of the legislative session.

"While no new legislation can prevent a bad actor from being deceitful or dishonest, I believe this bill will increase openness and accountability where it is badly needed," McNally said in a statement.

### *Bill responds to how Cothren and Casada skirted campaign finance law*

Over the past two years, Cothren and Casada have been at the center of various campaign finance investigations by the Tennessee Registry of Finance, including a recent probe into the pair's involvement with the Faith Family Freedom Fund.

The fund's treasurer testified she opened the political action committee at Cothren's request but had no further involvement in its operations. The treasurer was dating Cothren at the time of its creation.

The proposed legislation would require the treasurer and officers of a political action committee to submit a valid government ID and make anyone who directly controls expenses from the committee personally liable for potential civil penalties.

The registry previously fined Casada in 2020 for failure to adequately retain receipts for roughly \$100,000 in expenditures.

The fine was \$10,500, but existing law allowed Casada to pay it with his political action committee, CAS-PAC.

The House version of the bill prevents political action committees from paying such a fine.

The rest of the bill involves various requirements to make the registry board and its meeting more transparent, increase punishments to existing campaign law and require audits of non-profit political groups spending \$5,000 before an election.

### **[Lawsuit Challenges Alaska Campaign Disclosure Rules](#)** (Alaska)

Political donors have sued over campaign finance rules enacted under a 2020 voter initiative, arguing the disclosure rules are burdensome and could lead to reprisals against them and their business interests in a climate of “cancel culture.”

The disclosure rules were part of a ballot measure that overhauled [Alaska's](#) elections system and was passed by voters in 2020. Provisions of the measure calling for open primaries and ranked choice voting in general elections were challenged previously in state courts and upheld.

At issue in the new lawsuit, which was filed in federal court Thursday, are disclosure rules, including disclaimers required for ads and required reporting around contributions greater than \$2,000 that are given to or received by third-party groups known as independent expenditure groups. The lawsuit alleges these disclosure provisions are unconstitutional.

Lawyers involved in the case — Craig Richards, a former Alaska attorney general, and Daniel Suhr with the Chicago-based Liberty Justice Center — filed a friend of the court brief in support of challenges to the open primary system and ranked choice voting when those were before the

Alaska Supreme Court. They did so on behalf of former Lt. Gov. Mead Treadwell and former lawmaker Dick Randolph.

Suhr said one reason they waited to file the federal lawsuit was that they wanted to see what the state Supreme Court would do, including if it would strike the entire initiative down. The high court in January issued a brief order affirming Superior Court Judge Gregory Miller's decision upholding the open primary and ranked choice system as valid. A fuller opinion from the state Supreme Court is pending.

Miller noted in his ruling that the plaintiffs in that case did not challenge the new law's "attempt to preclude 'dark money.'"

Suhr said after the action by the state Supreme Court, "that's when we turned to say, OK, the next step is to focus on these campaign finance provisions that really haven't been thoroughly addressed yet."

He said the measure is "the most aggressive law of its kind in the country" and raises First Amendment issues.

Plaintiffs in the federal lawsuit are Doug Smith of Anchorage, who was described by a spokesperson for the Liberty Justice Center as an executive in the oil and energy industry; Robert Griffin of Anchorage; Allen Vezey of Fairbanks; Albert Haynes of Wasilla and Trevor Shaw of Ketchikan. The lawsuit describes each of them as sometimes donating more than \$2,000 to organizations that make independent expenditures.

Also listed as plaintiffs are the Alaska Free Market Coalition and Families of the Last Frontier, which are described as independent expenditure groups. A 2022 filing with the Alaska Public Offices Commission shows Shaw as chair of the Alaska Free Market Coalition, which describes itself as promoting candidates "who are fiscally conservative, pro-business, and supportive of free market economic principles."

The lawsuit names as defendants members of the Alaska Public Offices Commission, which oversees campaign finance rules in the state.

Heather Hebdon, the commission's executive director, said commission staff had no comment on the lawsuit. Daniel Cacciatore, a spokesperson for the state Department of Law, said the department was reviewing the complaint and had no comment at this time.

Scott Kendall, an attorney for Alaskans for Better Elections, which supported the initiative, in a statement said the group would seek to intervene in “this baseless suit and defend the reforms passed in 2020.”

Jason Grenn, executive director of Alaskans for Better Elections, said voters “made it clear that they want increased campaign transparency and have a right to know who is spending money on their elections. Nothing in ballot measure two violates the first amendment, nor does it limit political speech.”

### **[Emails show Valencia promoted smart city development while her lobbyist husband profited from it](#)** (Illinois)

You might consider the marriage of Anna Valencia and Reyahd Kazmi something of a public-private partnership.

She holds public office. He courts private companies. Together, they lobby government officials to advance the interests of his clients, according to emails, text messages, contracts, and government records obtained by Target 3 investigators.

Over the course of several years, official and personal correspondence shows clear evidence that Valencia spent a significant portion of her time in office paving the way for projects that directly benefited her husband.

Her husband omitted key information from ethics forms and funneled payments between various different entities in a manner that, until now, hid much of that information from public scrutiny.

The most notable instances occurred between late 2018 and early 2022 when Valencia, the City Clerk of Chicago, at times used text messages, and personal and government email accounts to discuss investment strategies for a smart city development project in the Illinois Medical District that involved Kazmi’s clients.

In her campaign for Secretary of State, Valencia has pledged to expand Chicago’s CityKey smart ID program statewide.

“It is not only a government ID, but it’s also a library card, a CTA transit card, a prescription discount card and a business discount card,” she said in January.

The digital identification card, which shares a nearly-identical name with MasterCard's "City Key." Emails show Valencia had kept in regular contact with MasterCard, which is listed as a partner with Ignite Cities.

Kazmi, a registered lobbyist and a managing director of Ignite Cities, occasionally interacted with his wife's office via emails, though the bulk of those conversations were carried out by his business partner George Burciaga, the managing partner at Ignite Cities.

Ignite Cities inked a public-private partnership ad revenue sharing deal with the Illinois Medical District that could have netted Kazmi and Burciaga's company somewhere in the ballpark of \$15 million in advertising revenue alone, according to an estimate in a contract obtained by Target 3.

Separately, Burciaga and Suzet McKinney, the former head of the Illinois Medical District, signed a \$50,000 consulting contract at the outset of the planning for the smart city deal. A document provided by the Valencia campaign shows Burciaga's company paid the flat-rate consulting fee to Kazmi through another LLC.

"My husband and I have separate careers," Valencia told reporters at a campaign stop in Peoria on Wednesday. "I'm very supportive his, and he is mine. He's never lobbied my office and never will."

Her response, which nearly matches a prepared campaign statement word-for-word, doesn't even begin to answer the mounting questions raised by her active involvement in her husband's lobbying career. Kazmi's lobbying clients enjoyed access, public exposure, and political connections through Valencia's government office, all items of value that were not always made available to the general public.

At times, Valencia's staff urged her to use personal email to make invitations, and advised her against using her official government logo to promote the development project. She insisted on using the logo anyways.

In one case, Valencia's government office struck an unpaid partnership with Black Dog Foods and Spins LLC, two of Kazmi's lobbying clients. No money changed hands during the deal, but Kazmi's clients used the partnership to boost their public profile.

In another instance, Kazmi's business partner leaned on Valencia in her official capacity to make introductions for him as he expanded his business into New Orleans. Valencia obliged, and set up meetings for her staff and the mayor's office in New Orleans. Burciaga won a lucrative

contract there. Competitors later accused his company of rigging the smart city contracts, a complaint city officials dismissed.

A campaign aide for Valencia suggested that each item discussed in emails and text messages was purely innocent when viewed on its own, but acknowledged that when taken together, the string of events might give an impression of improper behavior or a conflict of interest.

“It could maybe give the impression that you just described, but this was over the course of a long time,” campaign spokesman Chris Moyer said on Tuesday. “It’s kind of like a house of cards.”

“There’s a presumption of improper behavior that you’re suggesting that I think doesn’t add up,” he said.

Target 3 investigators posed a more direct set of questions to the Valencia campaign that, so far, have gone unanswered.

- Will Anna Valencia, as Secretary of State, firmly enforce the lobbyist registration and disclosure laws that her husband is currently violating? (Kazmi updated his registration the following day.)
- How does Anna explain her use of official email to conduct private business?
- What is her understanding of the ethical and legal boundaries that should separate her from any real or perceived conflict of interest?
- Why was Anna lobbying city officials in New Orleans on behalf of her husband’s business partner?
- Does she not believe it’s inappropriate or unethical to use her official government email to build relationships and conduct business on behalf of her husband’s company?
- Why is Anna’s husband’s company entitled to the kind of access to her contacts in New Orleans?
- Was Anna also helping other companies link up with lucrative contract deals and opportunities in New Orleans? Or were those privileges reserved only for her husband’s company?

Some of the Valencia campaign’s initial statements fell apart under further scrutiny. At first, a campaign spokesman claimed that Kazmi’s “contract with IMD ended on September of 2019.” However, time-stamped presentation documents show Burciaga, Kazmi’s business partner, was still making detailed presentations about installing digital kiosks to the Illinois Medical District in December of 2019.

“I don’t think this is a public-private partnership,” Moyer speculated. “I think they’re advising them on best practices.”

Signed contracts obtained by Target 3 show how Kazmi was positioned to profit from that kiosk deal through IKE Smart City, another one of his lobbying clients. The same deal added sweetener incentives for the Illinois Medical District, a unit of local government that exercises zoning authority, to secure the “approvals necessary” to install more kiosk devices around other parts of the city.

Target 3 made Valencia’s campaign aware of the details that would be published in this report several days ago, in part, to give her ample time to respond. Yet, when she arrived in Peoria on Thursday and reporters asked her why she was lobbying the mayor of Chicago on a project her husband was involved with, she falsely claimed she wasn’t aware of the situation. Then, she proceeded to issue a defense for expanding “economic opportunity” in the same geographic location where the Illinois Medical District is located.

“I’m not sure what you’re referring to, but I will tell you that I have always been a supporter of making sure we’re investing in uplifting communities like the west and south side of Chicago,” Valencia said. “I’ve always shown up to make sure that our communities have opportunity, especially economic opportunity and mobility, because they’ve been disinvested for years. And so that’s something I’m gonna continue to do.”

Indeed, her husband has continued to pursue public-private partnerships with Chicago city officials, even after she launched her campaign for Secretary of State. Emails show he’s pursuing a similar ad revenue profit sharing deal with the Chicago Parks Department under Orange Barrel Media, the original name of IKE Smart City, LLC.

“This is the exact culture of corruption that needs to be rooted out from state government,” former U.S. Attorney and Republican candidate for Secretary of State John Milhiser said in a statement. “This individual is running for the office that controls lobbyist registration while simultaneously funneling government contracts to clients her spouse lobbies for. The Secretary of State’s office has historically fostered corrupt practices, dating back to Paul Powell and George Ryan, and it’s why we can’t afford to go backwards with more career politicians and machine politics.”

**[Former Indiana state senator pleads guilty in campaign finance violation case](#)**  
(Indiana)

Former Indiana state senator [Darryl Brent Waltz](#), of Greenwood, pleaded guilty to two felony counts on Monday. Waltz admitted guilt to a charge of making and receiving conduit contributions and to a charge of making false statements to the Federal Bureau of Investigation.

Waltz served as a state senator from 2004 through 2016. In 2016, Waltz ran for Congress in Indiana's Ninth District. During the campaign, Waltz for Congress reported it received \$152,078.49 from individual contributors, and \$113,700 in loans from the candidate. It also reported there were no contributions from corporations.

Waltz lost in the 2016 primary.

Through investigating donations made to the campaign, it was learned that a company was reimbursing a group of people who contributed to Waltz's campaign. More than a dozen straw donors contributed \$2,700 (maximum individual contribution allowed by law) and then allegedly were reimbursed by New Centaur, LLC or by Waltz, who issued checks to a company that then paid the donors.

There were also allegedly contributions directly from New Centaur directly to Waltz and his campaign adviser also allegedly received payments from the company. Waltz is accused of knowing New Centaur was paying his campaign adviser.

Court documents allege there was an attempt to conceal the money from New Centaur by creating false invoices.

When questioned by the FBI, Waltz allegedly made several false statements to try to cover up the illegal activity.

Waltz's sentencing has not yet been set. Another person charged in the case, John S. Keeler, has a trial date set for April 18.

### **[Lt. Gov. Benjamin Resigns Following Campaign Finance Indictment](#)** (New York)

Lt. Gov. Brian A. Benjamin of New York resigned on Tuesday, hours after federal prosecutors unsealed an indictment implicating him in a brazen scheme to enrich his political campaigns with illegal donations.

Gov. Kathy Hochul, who selected Mr. Benjamin to be her lieutenant governor less than a year ago, announced that he was stepping down immediately “while the legal process plays out.”

“It is clear to both of us that he cannot continue to serve as lieutenant governor,” she wrote in a statement Tuesday evening.

The [five-count indictment](#) charging Mr. Benjamin said that while he was a state senator, he had conspired to direct \$50,000 in state funds to a Harlem real estate developer’s charity. In exchange, the developer gathered thousands of dollars in illegal contributions to Mr. Benjamin’s 2020 Senate campaign and his unsuccessful 2021 bid for New York City comptroller, the indictment said.

Mr. Benjamin, who pleaded not guilty on Tuesday, was also accused of offering to help the developer, Gerald Migdol, obtain a zoning variance if he made a \$15,000 donation to a separate fund for State Senate Democrats. The developer was arrested on federal charges in November and pleaded not guilty at the time.

“This is a simple story of corruption,” Damian Williams, the U.S. attorney for the Southern District of New York, said at a news conference before Mr. Benjamin’s resignation. “Taxpayer money for campaign contributions. A quid pro quo. This for that. That’s bribery, plain and simple.”

The resignation of Mr. Benjamin could prove to be a serious political liability for Ms. Hochul, who took office last year after Gov. Andrew M. Cuomo resigned in disgrace. Although she was not implicated in any of the allegations against Mr. Benjamin, the indictment of her handpicked No. 2 threatened to undercut Ms. Hochul’s vow to turn the page on an era of scandal in Albany.

The indictment — the result of an investigation by federal prosecutors, the F.B.I. and New York City’s Department of Investigation — accuses Mr. Benjamin of engaging in a “series of lies and deceptions to cover up the scheme,” including falsifying campaign donation forms, misleading city authorities and giving false information as part of a background check to become lieutenant governor last year.

Mr. Benjamin entered his not guilty plea at a brief appearance in Federal District Court in Lower Manhattan, and was released on a \$250,000 bond under terms that require him to get special permission to travel to Albany. He left the courthouse without comment.

Ms. Hochul can select a new lieutenant governor in the coming weeks, but it will be far more difficult to replace Mr. Benjamin on the Democratic primary ballot in June. Because he was designated as the Democratic Party’s nominee for lieutenant governor, election rules stipulate that his name can only be removed at this point if he were to move out of the state, die or seek another office.

Mr. Benjamin said last week that he had been cooperating with investigators, after news outlets, including The New York Times, [reported details](#) of the investigation. Accompanied by his lawyers, he met with prosecutors last week, according to a person who was briefed on the meeting and not authorized to discuss it, and his top aides were privately reassuring allies that he expected to be cleared of any wrongdoing.

Lawyers for Mr. Benjamin, James D. Gatta and William J. Harrington, said in a statement that their client was resigning and suspending his campaign to “focus his energies on explaining in court why his actions were laudable, not criminal.”

They said that there was “nothing inappropriate” about the \$50,000 grant, and that Mr. Benjamin “looks forward to when this case is finished so he can rededicate himself to public service.”

Mr. Williams — who announced the charges with Michael J. Driscoll, the assistant director in charge of the New York F.B.I. office, and Jocelyn E. Strauber, the commissioner of the city’s Department of Investigation — laid out the details of the indictment. It accused Mr. Benjamin of bribing Mr. Migdol to help secure small contributions for his comptroller race that could be used to obtain tens of thousands of dollars in public matching funds through a city program.

Prosecutors said Mr. Benjamin had first approached Mr. Migdol for help in March 2019, months before announcing a campaign for comptroller. In a meeting at Mr. Migdol’s home, prosecutors said, the developer told Mr. Benjamin that he was wary of pressuring his network of donors to give beyond what they already contributed to his charity, Friends of Public School Harlem, a group that organized giveaways of school supplies and groceries to needy families.

“Let me see what I can do,” Mr. Benjamin replied, according to the indictment.

In the months that followed, prosecutors said, Mr. Benjamin used his State Senate office to secure a \$50,000 taxpayer-funded education grant for the charity that Mr. Migdol never requested, and used it as leverage to press Mr. Migdol to gather contributions.

At one point, Mr. Benjamin sent a text message to Mr. Migdol that showed the developer’s charity among a list of projects receiving state aid. “Do you recognize the third entity on the list?” Mr. Benjamin asked, according to the indictment.

During a meeting at Mr. Benjamin's Harlem office two weeks later, Mr. Migdol gave him three checks totaling \$25,000 made out to his Senate campaign account. Two were in the name of the developer's relatives and one was from a shell company he controlled, prosecutors said.

Mr. Migdol then filled out campaign contribution forms in front of Mr. Benjamin, signing the forms not in his name, but in the names of his relatives, the prosecutors said. Mr. Benjamin reminded the developer about the \$50,000 grant and his need for smaller contributions.

Mr. Benjamin delivered an oversize cardboard check for the \$50,000 in grant money the following September at a charity golf tournament for Friends of Public School Harlem, an event [documented on Mr. Migdol's Facebook page](#). Prosecutors said the funds were never actually disbursed.

Still, within weeks, Mr. Migdol began steering a series of fraudulent donations to the comptroller campaign. Some were made in the names of individuals, including the developer's 2-year-old grandchild, who did not consent to them; others had donated money but were fully reimbursed. In one instance, he handed a bundle of donations to Mr. Benjamin on the street, according to the indictment.

While not listed by name in the indictment, Mr. Migdol began providing information to investigators after [he was arrested](#) in November on charges of wire fraud, aggravated identity theft and other crimes related to his role in the fund-raising scheme, according to people with knowledge of the matter. He was referred to in Tuesday's charging documents as "CC-1," short for co-conspirator 1.

Mr. Migdol's lawyer, Joel Cohen, declined to comment.

Prosecutors said Mr. Benjamin called Mr. Migdol again on Oct. 21, 2020, with another proposal: If the developer contributed \$15,000 to a different political campaign committee, Mr. Benjamin would help him win support for a zoning variance from a city community board Mr. Benjamin had once led.

The indictment says the donation was made on Nov. 13, the same day, campaign finance records show, Mr. Migdol transferred \$15,000 to the New York State Democratic Senate Campaign Committee. The zoning variance sought by Mr. Migdol has not been presented to the community board for approval.

Over time, Mr. Benjamin repeatedly hid his knowledge of the scheme from New York City and state authorities, the prosecutors said. Most notably, the indictment says that during a background check for his appointment as lieutenant governor, Mr. Benjamin falsely claimed

twice that he had never “directly exercised” his governmental authority “concerning a matter of a donor” he asked for money.

Ms. Hochul [selected Mr. Benjamin to be her lieutenant governor](#) last August, shortly after she became governor following Mr. Cuomo’s resignation amid numerous allegations of sexual misconduct. The choice of Mr. Benjamin, who is Black, was widely seen as an attempt by Ms. Hochul, a white moderate from Buffalo, to expand her appeal to nonwhite voters in New York City in this year’s elections.

Mr. Benjamin spent much of his career in banking and affordable housing development before winning a State Senate seat representing most of Harlem in 2017.

In Albany, he was a leading proponent of criminal justice reform measures passed by Democrats after they won the majority in 2018. He finished fourth in the Democratic primary for comptroller last year.

It was unclear how carefully Ms. Hochul or her advisers vetted Mr. Benjamin before the appointment.

There had already been published [reports by The City](#) at the time showing that Mr. Benjamin’s campaign had benefited from suspicious donations, as well as ethical concerns about his use of campaign funds for a wedding celebration and car expenses. (Mr. Benjamin later refunded the questionable contributions and reached an agreement to repay the campaign expenses in question.)

The other Democratic candidates for lieutenant governor are Diana Reyna, a former New York City councilwoman, and Ana Maria Archila, an activist backed by the left-leaning Working Families Party.

“The governor announced that she would bring a new day, and I’m not sure that’s the case,” Ms. Archila said in an interview on Tuesday.

The news of Mr. Benjamin’s arrest spread throughout Harlem’s political community on Tuesday, with many expressing shock and others declaring his innocence. Mr. Benjamin, who rose from being the chairman of the Central Harlem community board, was considered a rising star.

“When this is all over with, it’ll be what I know: Brian did not do anything to break the law,” said Hazel N. Dukes, the president of the New York State chapter of the N.A.A.C.P., and one of Mr. Benjamin’s political mentors.

