



M U L T I S T A T E

State Law Trending Toward Increased Campaign Finance Disclosure (U.S.)

New laws and court wins out of several states are favoring more campaign finance disclosure.

The Tennessee General Assembly recently passed a bill requiring politically-active 501(c)(4) organizations – often referred to as “dark money” groups – to disclose any expenses over \$5,000 in the 60 days leading up to an election. Previously, these groups could run advertisements featuring candidate names and likenesses without being required to disclose spending, so long as they did not expressly advocate for or against a candidate. Now, doing so will trigger disclosure for any spending over the \$5,000 threshold.

Wyoming substantially increased its fine for failure to file campaign finance disclosure reports: from a one time \$500 fee to a \$500 per day fee for each day a report is late. Some in the state believed the one-time fee created a loophole allowing big spenders to avoid disclosure requirements. A single \$500 fee was a small price to pay for big spenders in the state to avoid itemized disclosure reports. The substantial fee increase will put pressure on groups to file timely disclosure reports.

Finally, Rhode Island prevailed in defending its campaign finance law, which requires groups making independent expenditures to disclose all donors who give over \$1,000, as well as to list top donors in advertisement disclaimers. The law was challenged on First Amendment grounds in federal court. The law was upheld in federal district court and again by the U.S. Court of Appeals for the First Circuit. The U.S. Supreme Court ultimately denied hearing the appeal, allowing the Rhode Island law to stand.

Based on this recent flurry of campaign finance disclosure activity, political organizations should be closely monitoring changes to disclosure law at the state level.

[A last-minute deal to restore Alaska’s campaign finance limits fell through. Here’s how.](#) (Alaska)

A last-minute deal in the state Legislature to restore donation limits to Alaska's political campaigns collapsed Wednesday, allowing wealthy donors to spend unlimited sums on state elections this year as good government advocates contemplate a citizens initiative to reimpose the caps.

"It was a devastating outcome," said Anchorage Democratic Sen. Bill Wielechowski, who tried and failed to push limits through his chamber late Wednesday. "The ability of someone, anyone, in the United States to drop \$1 million into an election is just stunning and startling, and should be of concern to every single Alaskan."

Alaska had some of the lowest political donation limits in the country — \$500 per person, per year — until last summer, when [a federal appeals court ruled](#) that the caps unconstitutionally restricted free speech.

Republican Gov. Mike Dunleavy's administration asked that the case not be reconsidered even when a judge called for a new hearing. And the [governor later said](#) he's inclined to support unlimited donations, as long as they're publicly disclosed.

One key opponent of campaign finance limits said Thursday he was pleased lawmakers didn't restore caps this year. The result, he argued, is that more donations will go from donors directly to politicians, rather than to independently spending groups that are unaffiliated with candidates.

"I think the consequence will be that we'll have a system that's more responsive to the voters, and more transparent," said attorney Robin Brena, whose firm represented the conservative activists who sued to remove the donation limits. "And I think those are good for our democracy."

Alaska's three leading gubernatorial candidates — Dunleavy, independent Bill Walker and Democrat Les Gara — are all now soliciting donations of \$10,000 or more on their campaign websites.

But the new landscape for Alaska campaign contributions may not be permanent.

Many lawmakers still support reimposing higher limits than the ones the appeals court invalidated, making the subject likely to reappear during the next legislative session.

And Anchorage independent Rep. Calvin Schrage, who led the state House's efforts to restore higher limits, said he's now considering launching a citizens initiative — the same method that [activists originally used](#) to establish the \$500 per person cap in 2006.

"I'm pretty darn confident I'll go forward with that, because it's just something Alaskans want," Schrage said Thursday. "If the Legislature fails to act, we should make sure voters get a chance to stand up for Alaska and Alaskans."

Lawmakers were, in fact, poised to act in the final hours of their session Wednesday, which was the constitutional deadline for the Legislature to finish its business.

[A bill sponsored by Schrage](#), which would have capped donations from individuals at \$2,000, had already passed the House. But it had stalled for two months in the Senate State Affairs Committee, chaired by Wasilla Republican Sen. Mike Shower, who didn't respond to a request for comment Thursday.

As the Legislature's deadline approached, Wielechowski said that he'd been working with a group of legislators, including Shower, on a deal to reinstate the donation limits.

Their idea was combining campaign finance caps, which tend to enjoy stronger support from liberal-leaning legislators, with a batch of election reform proposals that have bipartisan buy-in.

Those proposals included state-paid postage and enhanced tracking and security for absentee ballots, and open-source election software that skeptics could analyze themselves. There was also same-day voter registration, though those ballots would be scrutinized by a review board before being counted.

The package, Wielechowski said, had support from legislators in both the House and Senate. And the election reform provisions would have given the governor — who lawmakers feared would veto a standalone contribution limits bill — reason to sign it, since Dunleavy's has pushed similar reform efforts itself.

"Both sides gave; both sides got," Wielechowski said. "I'm fairly confident that it would have passed both bodies, and the governor would not have vetoed it."

But the plan hit a hitch: For some reason, the state attorneys who draft bills for lawmakers took much longer than expected to write Wielechowski's amendment.

As the clock ticked toward midnight without the document, Wielechowski said he called the lawyers repeatedly — at 4 p.m., 6 p.m. and 8 p.m. — before finally, on the line with the top attorney at 10 p.m., he strode into the Senate.

Wielechowski handed the phone to the chamber's president, Peter Micciche, and asked Micciche to tell the attorneys to “send an amendment — I'll leave out some of the more colorful language — right now.”

The document came through, Wielechowski said, just before 11 p.m. But a key Senate vote to bring the subject up for debate failed.

“It was late in the night and we had this major decision and we just didn't have enough time to review it,” he said. “If it had gotten out by 5 or 6 o'clock, it would have passed and it would have been concurred with by the House and it would be on the governor's desk.”

The result left supporters of contribution limits fuming.

Gara, the Democratic gubernatorial candidate, blamed Dunleavy, the Republican governor, for declining to appeal the federal court decision. And he said Dunleavy — whose 2018 campaign benefited from a so-called “independent expenditure group” bankrolled largely by his brother, Francis Dunleavy, and a wealthy real estate developer, Bob Penney — would benefit.

“Dunleavy orchestrated the end of donation limits,” Gara said in a phone interview Thursday. “The guy who's filed every lawsuit he could think of was too scared to file an appeal when our donation limits were struck down.”

Dunleavy, at a news conference Thursday, said the appeals court was responsible for eliminating Alaska's donation limits; he added that “it was the Legislature that had discussions on that situation.”

“The idea that somehow I channeled this decision through the Ninth Circuit Court, and somehow I channeled this decision — it's kind of flattering if people think I have that much power,” he said.

Asked if Dunleavy had collected any large contributions for his campaign, spokesman Andrew Jensen said he didn't have access to fundraising details.

While Gara is soliciting five-figure contributions, he also declined to say whether he'd received any, though he stressed that he's supported donation limits for his decades-long political career.

“I’m a guy who doesn’t believe in shooting at somebody for no good reason, but if somebody pulls out a gun, I guess I have to have a gun,” he said. “I have to play by these terrible, pathetic rules, and I now have to ask people to donate as much as they can.”

Walker, the independent, said he also supports campaign contribution limits.

“We look forward to picking it up on Day 1, and fixing what needs to be fixed,” he said in a phone interview.

Walker, too, declined to share details of any large donations to his campaign, saying he would reveal them when required by state regulators, in July.

But Brena, the attorney who worked on the lawsuit to overturn the contribution limits, acknowledged that he’d written a \$25,000 check to Walker, who used to work at Brena’s law firm.

“I used to contribute through independent expenditure groups,” Brena said. “And now, I’m contributing directly.”

[Law to crack down on lobbyists ensnares two former Texas House members](#) (Texas)

A 2019 law aimed at cracking down on the revolving door of lobbyists at the Texas Capitol is ensnaring two recent legislators and prompting state ethics regulators to address potential loopholes.

The law says former members of the Legislature cannot engage in activities that require them to register as a lobbyist if they have made a political contribution using campaign funds in the past two years. It is meant to prevent a situation where, for example, a lawmaker spreads campaign contributions around to colleagues, steps down or loses reelection — and then goes to lobby those same colleagues a short time later.

The law, House Bill 2677 by state Rep. [Craig Goldman](#), R-Fort Worth, passed without any opposition in both chambers.

But redistricting has created more turnover than usual at the Legislature this year, creating a pool of former lawmakers who may want to join the lobby. Two of them — former state Reps. Eddie Lucio III, D-Brownsville, and Chris Paddie, R-Marshall — registered as lobbyists with the

Texas Ethics Commission last week, despite using campaign cash for political contributions in the past two years. But after media inquiries, they decided to suspend their registration.

Paddie nonetheless characterized his registration as a proactive measure and said it was not because he had engaged in activities requiring disclosure — the threshold outlined for the two-year ban under the 2019 law.

“I recently registered with the Ethics Commission with the intent of engaging in lobby activity,” Paddie said in a statement. “However, I have not yet engaged in that activity and have suspended my registration with the Ethics Commission.”

Lucio’s case is a little more unusual. When he shut down his campaign account earlier this year, he sought to retroactively comply with the 2019 law by seeking refunds of all the political contributions that he thought he had made in the last two years. But his lawyer said he recently became aware of other political contributions Lucio made over that period. And he is now unable to rectify the situation because the account has been closed.

“We reviewed Mr. Lucio’s reports and the applicable laws surrounding lobby registration and we believe that he did everything he could to mitigate his situation before registering,” Lucio’s lawyer, Andrew Cates, said in a statement. “Subsequently, we were made aware of additional contributions Mr. Lucio made in 2020 that we were unable to mitigate prior to closing his campaign account. Out of an abundance of caution, Mr. Lucio will suspend his lobby registration until the time period runs out in October 2022 and we will reassess his legal options at that point.”

Both Paddie and Lucio announced they were not seeking reelection during the redistricting process last year and then stepped down early months later. Paddie, the former chair of the House State Affairs Committee, had registered to lobby for Incode Technologies, an identity verification company based in San Francisco. Lucio had registered to lobby for five clients, including the health insurer Blue Cross Blue Shield and Texans for Lawsuit Reform, the powerful tort reform group.

Their registrations came as the Texas Ethics Commission was crafting an advisory opinion that addressed a potential loophole in the 2019 law. An unnamed state legislator had asked the commission to weigh in on whether the two-year ban applies to not just campaign accounts, but separate political committees where lawmakers sometimes maintain their contributions.

All lawmakers have a “candidate/officeholder account” that is traditionally the main vehicle for their campaign finances. But some choose to raise and spend money out of other committees — often “special-purpose” committees — to allow for more flexibility.

The opinion said those committees can count, too, if the commission has to consider whether a lawmaker-turned-lobbyists has used campaign funds for political contributions in the past two years.

“Yes, if the candidate or officeholder has the authority to control the contributions accepted and expenditures made by the specific-purpose committees,” the opinion said.

However, there is still ambiguity. It is unclear how the law defines “control” in this case, and that would likely be up for debate if the commission ever handled a complaint related to the HB 2677.

Furthermore, during a commission meeting last week, Commissioner Steve Wolens said he was concerned about the constitutionality of the law in the first place.

“If this were an enforcement proceeding, I think I’d have a hard time enforcing the statute because I think it’s unconstitutional,” Wolens said.

The advisory opinion could be relevant for people like former House Speaker Dennis Bonnen, R-Angleton. There has been speculation he may be interested in lobbying, though he has neither registered nor announced any plans, and a spokesperson did not respond to a request for comment.

But he operates a political committee, Texas Leads PAC, that started in 2019 with \$3 million transferred from his campaign account, and the PAC made political contributions as recently as earlier this month.

It is unclear if lawmakers knew exactly what they were voting on when they passed HB 2677 in 2019. Goldman gave a brief presentation of the bill that focused on a provision banning lawmakers-turned-lobbyists from making present-day political contributions from their leftover campaign funds.

“HB 2677 states that a former elected official or candidate now registered as a lobbyist may not use funds from their campaign account to make a political contribution,” Goldman said in early May 2019 on the House floor.

He received no questions about the bill from his colleagues, and it passed by a voice vote about a minute later.

[Some Oklahoma lawmakers receive thousands of dollars in gifts, meals from lobbyists](#) (Oklahoma)

Thousands of dollars' worth of free meals were given to Oklahoma lawmakers – not at the taxpayers' expense, but from outside lobbyists, according to a new report by Clean Up Oklahoma.

“We have a part of the Wine and Dine report as our top 12 list of the highest gift takers in the legislature,” said Lindsey Miller with Clean Up Oklahoma.

Miller told KFOR that the local watchdog group released Thursday's report, hoping to highlight the state's lack of transparency.

“High dollar purchases and fancy steak dinners to me represent that there are conversations that are privileged and privy that are happening outside of public discourse again in the dark,” said Miller.

The report shows the biggest gift takers in both political parties as well as some lawmakers' expenses, like meals costing hundreds of dollars.

“Right now, they're talking about the budget,” said Miller. “The Ethics Commission got \$0 in that budget conversation. The governor even vetoed a bill adding more disclosure laws trying to shine a light, and he said no on that.”

KFOR asked Governor Stitt's office about the veto of the transparency law, but have yet to hear back.

According to the group's findings, more than 100 lawmakers received expensive gifts.

The senator who placed number one was Casey Murdock.

“The top of [the list] is Casey Murdock, who has taken over \$7,000 worth of gifts, including a \$500 meal,” said Miller.

KFOR reached out to Murdock for a statement. His office sent the following:

“Having the opportunity for in-depth discussions with advocates and experts helps provide legislators with much-needed information about a variety of complex issues. That insight gives

context and perspective, but when it comes time to vote, my decision is based on what is best for the constituents of my district and for our state as a whole.”

According to the report, Republican House Representative Tom Gann received zero dollars.

The group hopes the state’s system for reporting lobbyist gifts and campaign contributions will be improved so the public can see what is going on.

“What we want to do is shed light on that,” said Miller. “What conversations are being had that can’t be had on the Senate floor or on the floor of a debate?”

[Eric Garcetti’s parents register to lobby for their son’s ambassador bid](#) (Federal)

The parents of Los Angeles mayor Eric Garcetti have enlisted the help of prominent lobbyists to aid their son’s beleaguered nomination to serve as U.S. ambassador to India.

McGuireWoods Consulting registered to lobby on behalf of Sukey and Gil Garcetti on Thursday for the purposes of “Outreach Related to Confirmation for Ambassadorship Nomination.” The lobbyists on the account include a former chief of staff to Sen. John Hoeven (R-N.D.) Ryan Bernstein and Garcetti’s own former deputy mayor and longtime advisor, Breelyn Pete.

The registration is the latest sign that Garcetti’s allies are turning over every possible stone to get his nomination across the finish line.

Bernstein did not immediately return a request for comment.

That nomination has floundered amid accusations that the mayor’s top aide, Rick Jacobs, had sexually assault women on the staff. Garcetti has insisted that he knew nothing of Jacobs’ conduct, which came to light because of a whistleblower report and includes allegations from his former Communications Director Naomi Seligman that Jacobs grabbed and kissed her in front of other city staffers.

But the controversy has dogged the Los Angeles mayor. Sen. Chuck Grassley (R-Iowa.) recently completed an investigation into the matter. While it did not find a smoking gun showing Garcetti did have direct knowledge of Jacobs’ behavior (several key individuals declined to participate in his investigation) it [did conclude that](#) Garcetti likely knew about a top aide’s alleged sexual misconduct.

Garcetti would need 50 Senate votes for confirmation. But, so far, he does not have the backing of the entire Democratic Caucus, leaving a crucial diplomatic post vacant for nearly a year.

Gil Garcetti served as Los Angeles County's district attorney during which the office oversaw the prosecution of O.J. Simpson.

3 charged in campaign finance scheme in 2020 Florida state Senate race (Florida)

Three people have been charged after the Florida Department of Law Enforcement completed its investigation into a campaign finance scheme in the 2020 Florida state Senate race.

The individuals are charged with the scheme to run "ghost" candidates in the state of Florida to benefit Republican Senate candidates.

Jestine Phillea Iannotti, 36, of Winter Springs, and James Eric Foglesong, 45, of Winter Park, are facing criminal charges and Benjamin Richard Paris, 38, of Longwood, is being served a court summons for his part in the scheme, according to the state Department of Law Enforcement.

On Tuesday, consultant Foglesong turned himself in to face five charges. Former Longwood Mayor Paris was given the notice to appear on a misdemeanor charge.

Iannotti in 2020 was the no party affiliate or independent candidate in the district nine state senate race.

She allegedly worked with Eric Foglesong who just left the jail Tuesday afternoon.

Local political consultant Foglesong hustled from the jail after being booked again on election-related crimes.

Now, he's facing five counts related to the ghost candidate scandal that's been under investigation since the 2020 elections.

The Florida Department of Law Enforcement says Foglesong provided illegal financial support and guidance to independent state senate candidate Jestine Iannotti. Both are facing five charges, including two perjury charges against Iannotti. Agents say former Longwood Mayor Ben Paris also provided an illegal contribution in someone else's name.

The FDLE investigative report provided a receipt for Iannotti's \$1,200 deposit later used to pay her qualifying fee along with text messages like this one from Foglesong: "I'll have an envelope at my office tomorrow for you if you can pick it up" and other messages indicating he received cash donations from others and provided false information to the division of elections.

Together, agents say they were part of a much larger scheme, funded by dark money groups, to help Republicans win three state Senate races.

In district nine, covering Seminole and part of Volusia counties, Republican Jason Brodeur beat Democrat Patricia Sigman.

Voters were inundated with mailers touting Iannotti as a liberal to drain support from Sigman. As WESH 2 News reported back then, the mailers were from two mysterious political committees.

Our Florida PAC received \$370,000 from a Denver company called Grow United which also gave \$180,000 to The Truth PAC.

The mailers in the local race appeared identical to those in two other state Senate races.

Here's what a disgusted Sigman told WESH just after the election.

"It doesn't matter how it impacted a particular race. What matters is it's deceptive, and it needs to be fixed going forward," Sigman said.

Former Miami state Sen. Frank Artiles and former NPA candidate Alex Rodriguez were arrested in 2021 in connection with the ghost candidate scheme. Artiles is facing trial. Rodriguez pleaded guilty.

Foglesong and the others will be arraigned in the coming weeks.

Jestine Iannotti's whereabouts are unknown at this point. Ben Paris did not return a call or a text message.

He worked for his friend Brodeur at the Seminole County Regional Chamber of Commerce, but apparently resigned. He's also the chair of the Republican Party of Seminole County.

Spokesman Alan Byrd of the Seminole County Regional Chamber of Commerce released this statement:

"Ben Paris resigned from the Seminole County Chamber and our executive committee accepted the resignation. We are monitoring the situation to determine if any further actions are needed."

Patricia Sigman, 2020 Democratic nominee in Florida Senate District 9, released this statement:

"These new criminal charges are just the beginning of a court process that will reveal much more information the public deserves to know. Whose idea was this? Who knew about it? ...Were the people who used dark money to fund the bogus mail for Iannotti involved? Was this scheme coordinated with the Miami ghost candidate scheme that looks so similar? Great investigative journalism has shed light on much of this scheme so far, and now the process continues. "

Foglesong was arrested and charged [with four counts of grand theft in 2019](#) and later pled guilty to one of those counts for stealing money from the campaign of then-candidate John Mina in the Orange County sheriff's race. He just finish probation in that case in January.