



[Stitt's Office Pays Lobbyist for Advice on Federal COVID Funds](#)

One of Oklahoma Gov. Kevin Stitt's first acts as governor was a moratorium on executive agencies using contract lobbyists, a nod to the 2018 gubernatorial campaign he ran as a political outsider.

Eighteen months later, amid a global pandemic, Stitt's office signed a lobbying contract with Washington, D.C.-based Capitol Ventures Government Relations LLC. The governor's office paid the firm a total of \$14,000 in May and June from money that came from the state's share of federal CARES Act spending, according to state financial records.

Stitt's executive order in January 2019 directed state agencies to review their contracts with lobbyists and put a moratorium on new contracts unless they were approved by a cabinet secretary.

At the time, Stitt said agencies and their contract lobbyists were contributing to higher state spending. Some lobbyists criticized the plan, saying agencies would be forced instead to hire full-time employees and pay state benefits to "agency liaisons," who functioned like lobbyists but weren't subject to the same restrictions.

"It's frightening to think that one of our state agencies would hire a third-party lobbyist who then turns around and lobbies these gentlemen behind me on make-sense legislation and things that move our state forward," Stitt said at a January 2019 press conference attended by several lawmakers. "Oklahomans do not want our state agencies spending money to protect their own interests."

In July 2019, Stitt signed an [executive order](#) extending the restriction on agencies hiring contract lobbyists.

Baylee Lakey, Stitt's communications director, said Capitol Ventures was retained after the CARES Act was signed and Oklahoma was preparing to receive \$1.2 billion from the federal government. The firm's contract ended Aug. 30.

"The purpose of this contract was to ensure the state was well-informed and able to track regular changes in federal guidance and compliance on the use of these funds and was communicating regularly with the Oklahoma congressional delegation as our distribution process was being established," Lakey said in a statement. "Capitol Ventures did not act in a traditional lobbying/advocacy capacity in this work; its primary purpose was in helping us clarify the existing guidance from Congress."

The [Governor's Solutions Task Force](#) for the coronavirus response has included at least one congressional aide since its formation in March. Stitt's office also sent [letters](#) to the state's congressional delegation in May thanking the lawmakers for the CARES Act aid and providing an outline of plans for the money.

Capitol Ventures is run by Stuart McCalman, who has [lobbied Congress](#) on behalf of several Oklahoma cities, tribes and companies. McCalman is a former staffer for Sen. James Inhofe, R-Tulsa. His former partner in the lobbying firm is Tulsa Mayor G.T. Bynum.

McCalman did not respond to messages seeking comment.

Jim Dunlap, chairman of the [Oklahoma Society of Professional Advocates](#), said it made sense the governor would seek additional advice on federal spending. The society was formed last year to promote governmental advocacy.

"It shows the value of outside consultants," Dunlap said. "If the governor sees it fit to do it in D.C., we understand why. We offer a product to government services and the private sector that we feel is value-added. I think the governor sees that in this D.C. firm that he doesn't have somebody on staff and pay benefits on when he can hire an outside consultant."

[Former state senator arrested on charges of violating campaign finance laws](#)

David Burkette has been officially arrested. The former state senator from Montgomery, who resigned on Tuesday as part of a plea deal with the Alabama Attorney General's Office, was formally charged on Thursday with a single misdemeanor count of violating the Fair Campaign Practices Act.

According to a press release from the AG's office, Burkette's charge stems from him depositing campaign donations into his personal account instead of into his campaign accounts, as required by the FCPA. The alleged crimes occurred in 2015 and 2016 when Burkette was serving on the Montgomery City Council.

"The complaint alleged that, in 2015 and 2016 while running for the Montgomery City Council, Burkette intentionally failed to deposit \$3,625.00 in campaign contributions into his campaign checking account, and instead, deposited or cashed those contributions into or against his personal bank account," the AG's release stated.

The single misdemeanor charge is surprising given the lengthy list of allegations against Burkette submitted to the Alabama Ethics Commission. APR obtained a copy of the original report, which was submitted in October 2018.

In addition to more than \$40,000 in allegedly improperly spent council discretionary funds that were flagged by auditors for the city of Montgomery, Burkette was also accused of inappropriately donating tens of thousands more to suspect charities and two sororities, including his wife's.

The Ethics Commission referred Burkette's case to the AG's Office in October 2019.

[Pandemic takes bite out of lawmakers' free food from lobbyists](#)

Restaurant closures and restrictions on gatherings are crimping one of the perks of serving in the Michigan Legislature: lobbyist funded meals.

Over the first seven months of the year, lobbyists reported spending \$221,429 on food and drink purchases for state officials, the lowest total disclosed over that period in 19 years. The \$221,429 figure represents a 62% drop from the \$578,261 lobbyists reported spending over the first seven months of 2019.

The drop in food purchases reflects another trend during the pandemic: [a decline in campaign giving to state House candidates by interest groups' political action committees](#), said Simon Schuster, director of the Michigan Campaign Finance Network, a nonprofit organization that tracks political spending. Groups have cut their spending with fewer opportunities for direct access to lawmakers.

"This year underscores that there isn't really an alternative means to do that," Schuster said.

Groups' lobbying reports for Jan. 1 through July 31 were due to the Michigan Secretary of State on Monday.

While their spending on food and drink has dropped significantly, lobbyists' overall spending to influence officeholders has held steady this year. They reported spending \$23 million over the first seven months of the year — which includes spending on food and payments to firms and individuals to directly communicate with state officials to shape policies.

In 2019, the total reported spending for the first seven months of the year was \$23.2 million. In 2018, it was \$21.6 million.

Michigan reported its first cases of COVID-19 on March 10. Six days later, Gov. Gretchen Whitmer closed [bars and dine-in service at restaurants across the state to try to stem the spread of the virus](#).

Dine-in service at restaurants in most of Michigan, including the Lansing area, was allowed to restart on June 8. But [indoor social gatherings remain limited to 10 people statewide](#).

Much of the current lobbyist work is being done over the phone, said Dennis Muchmore, a longtime Lansing political figure who began lobbying about 40 years ago. The pandemic could have long-term repercussions with firms spending less on buying food and clients spending less on travel, he said.

"If you get used to not spending the money on food, when you start re-spending, the tendency is not to spend what you spent before," Muchmore said.

A lot of people are reluctant to go to restaurants or public gatherings, and many of the restaurants in downtown Lansing, which rely on government-related spending, haven't reopened, he said.

There have been golf outings this summer, but even those haven't been well attended, he added.

"And that's probably the easiest event you can have," Muchmore said.

In Michigan, lobbyists have to report their overall spending on food and drink for officeholders, purchases for large groups of officeholders and spending for a specified lawmaker when they spend more than \$63 on that lawmaker in a month or more than \$400 in a year.

Eleven of the 148 members of the Legislature reportedly received more than \$1,000 each in lobbyist-funded meals over the first seven months of the year. In 2019, 16 lawmakers exceeded the \$1,000 mark during that time period, according to the Michigan Campaign Finance Network.

The top recipient of lobbyist-funded food so far this year has been Rep. Jim Lilly, R-Park Township, co-chairman of the House Republican Campaign Committee. Lobbyists reported purchasing \$5,573 in food and drink for Lilly from Jan. 1 through July 31. One multiclient firm, Governmental Consultant Services Inc., disclosed spending \$2,408 on food and drink purchases for Lilly.

Lobbyists reported spending \$4,703 on food and drink for Rep. Brandt Iden, R-Oshtemo Township, chairman of the House Ways and Means Committee, and \$4,031 for House Speaker Lee Chatfield, R-Levering.

[Taxpayers Footing Some Of The Lobbying Bill](#)

School districts, cities and counties in Kansas each invested about \$250,000 last year in public tax dollars for deployment of registered lobbyists to influence the state's political process.

The Reflector reports that 63 of the state's 550 registered lobbyists reported receiving public funding from state agencies, local governments, or associations tied to government activities.

Those lobbyists disclosed that those clients bankrolled by taxpayers paid them nearly \$1.3 million in tax dollars during 2019.

The Legislature's division of post audit says the assessment of lobbying with public funding was "incomplete" due to limitations of state lobbying law, and of requirements to disclose information.

State employees, judicial staff and advisory council members are exempt from registering as lobbyists, even if they are responsible for promoting or opposing legislative action as a part of their job.

Megan Flanders, a senior auditor with Legislative Post Audit, noted that there is no penalty for not filing public funds reports.

[Kan. audit peels away thin layers of publicly financed lobbying](#)

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Sixty-three of the state's 550 registered lobbyists reported receiving public funding from state agencies, local governments or associations tied to government activities. This cadre of lobbyists disclosed this universe of clients bankrolled by taxpayers paid them nearly \$1.3 million in tax dollars during 2019.

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Only registered lobbyists are compelled to report receipt of public funds, which means people performing federal lobbying weren't included in auditors' calculations. State employees, judicial staff and advisory council members are exempt from registering as lobbyists, even if they are responsible for promoting or opposing legislative action as a part of their job.

"A fiscal officer for a state agency advocating for their budget at a legislative hearing is lobbying, but does not have to register as a lobbyist," said Megan Flanders, a senior auditor with Legislative Post Audit. "If a state agency hired an outside contractor to lobby for the agency budget at a legislative hearing, that person would need to register."

In addition, the audit says "no one has a full picture" of lobbying in Kansas because required reporting doesn't include spending by state and local governments making use of private funds or donations.

Kansas lobbyists also self-report amounts of public funding they are paid, the audit said. The analysis said 110 of about 1,500 reports required of these Kansas lobbyists weren't filed by the time auditors poured through documents earlier this year.

"There is no penalty in statute for not filing public funds reports, which makes it difficult to enforce," Flanders said.

The auditing division also examined the amount of tax dollars spent by state and local governments on fees and dues to professional associations and how much recipients of those payments devoted to lobbying activities.

Although only 936 of 3,800 state and local government entities responded to the auditors' request for information, the survey found \$11 million was spent on fees and dues during the 2019 fiscal year. About \$5 million of that total went to associations that lobby to some extent at the state or federal level, auditors concluded.

Sen. Dennis Pyle, the Hiawatha Republican who requested the audit of tax-funded lobbying, said the 25% response rate was disappointing. He also recognized there is no state law requiring agencies, organizations or businesses to respond when contacted by Legislative Post Audit.

"How are we to have confidence in the report?" Pyle said. "There is a question mark."

In all, 20 associations disclosed receiving more than \$100,000 in membership fees and dues during the year assessed.

The auditors said Kansas Association of School Boards, which has a regular lobbying presence at the Capitol, was paid \$1.39 million during the 2019 fiscal year by school districts.

Other top recipients of fees that perform lobbying included League of Kansas Municipalities, \$656,000; Unified School Administrators of Kansas, \$210,000; Education Advisory Board: Education Technology Services, \$204,000; Schools for Fair Funding, \$201,000; and Kansas Municipal Utilities, \$201,000.

[Public Financing Makes Connecticut A National Model for Small-Dollar Donor Laws](#)

A year ago, Beth Rotman, who helped create Connecticut's public financing system, was asked whether it resulted in better governance. On Thursday she shared her answer in a [28-page report](#) released by Common Cause.

Before the Citizens Election Program was established, nearly half of the \$9.3 million raised by candidates came from lobbyists, PACS and other entities. In 2018, 99% of campaign funds used by state legislative candidates came from individuals.

It was a big shift, but did it really make a difference in how Connecticut operates.

Rotman said a lobbyist from a prominent firm told her they would meet with legislative leaders and discuss how much money their clients were willing to give candidates.

“Some lobbyists felt it was a shakedown and wanted a shower afterwards. I walked out with a sense of relief because then I understood the expectations of me and my firm, and I could help my clients,” the unnamed lobbyist in the report says.

The \$20,000 the lobbyist promised to deliver got them access.

“At the end of the session, we would be asked what we needed. I knew I could ask for five or six bills that they would try to get in the budget implementer,” the unnamed lobbyist told Rotman in January.

Rotman said the public financing system made it possible for lawmakers to return \$24 million per year in unclaimed bottle deposits back to the public and away from the wealthy special interests. She said when anyone says they can’t afford public financing, she reminds them they are already paying for it with legislation that doesn’t serve the public’s interest.

In 2007, the “bottle bill” vote struck many veteran lawmakers, reformers, activists, reporters and members of the public as remarkable. Many still cite this vote as the singularly most powerful evidence that public financing can lead to better governance.

Rotman also cited the paid sick leave legislation as a law that might not have been able to withstand attacks from business interests if not for public financing.

“The state’s paid sick day law is ultimately a testament to what happens when the debate shifts, and wealthy interests lose their stranglehold over policy discussions,” Rotman wrote in the report. “Freed from reliance on large checks from the state’s lobbyists and chamber of commerce, state elected leaders were able to focus on the needs of more voters, starting on the campaign trail and continuing in office.”

Common Cause President Karen Hobert Flynn who worked to pass Connecticut’s law said: “Opponents of small-dollar donor laws make them sound like a bad use of taxpayer dollars, when in reality the savings not only pays for the cost of CEP, but frees up tens of millions more that can be used for other priorities, saved, or returned to the people.”

The program, according to Rotman and the report, opened the door for a new generation of elected officials to fund their campaigns with donations as small as \$5 from the people who live in their districts. In its first 10 years, the small-dollar donor program more than paid for itself by closing a corporate giveaway, according to the report.

Before the launch of the program in 2007, there were 53 female members of the General Assembly out of 187 seats, holding just 28% of the seats. This jumped to 59 female members in 2008, with 51 women in the House and eight in the Senate. This 2008 number was the peak for female legislators until the last General Assembly election in 2018 when 63 women were elected to serve — 52 in the House and 11 in the Senate — showing steady gains during the decade of citizen-funded elections, up to 33% of the legislature and climbing.

Former Senate Minority Leader John McKinney didn't vote for the legislation in 2005, but he told Rotman that he didn't realize at the time how beneficial the program would be for Republicans, who are the minority party in the state.

He said it “enables you to run candidates in districts even where the registration numbers are overwhelmingly in favor of one party or the other and get that message out.”

[Money from rogue gambling company keeps flowing to Missouri politicians](#)

A political action committee funded by an embattled Wildwood slot machine company spent more than \$35,000 to influence Missouri politics ahead of the state's August primary.

In July, the Missouri Growth PAC poured \$37,000 into accounts supporting state House and Senate candidates, most of whom were running in party primaries.

The vast majority of the Missouri Growth PAC's money can be traced, through state ethics commission records, to Torch Electronics, which [filled the committee's coffers with a \\$90,000 contribution at the end of June](#).

The campaign contributions to Missouri legislators followed debate this year on a measure explicitly banning the types of machines Torch places in gas stations, bars and clubs across the state. The state doesn't regulate the slot machine-style games, meaning no proceeds go to public education. There are no rules to protect consumers from low payouts or help addicted gamblers.

The machines have frustrated some lawmakers, with Sen. [Dan Hegeman](#), R-Cosby and chairman of the Senate Budget Committee, going so far as to say in a statement to the Post-Dispatch that the games “fleece our schools of vital funding.”

A bipartisan coalition of state senators — including St. Louis state Sen. [Jamilah Nasheed](#), an ally of Torch lobbyist Steve Tilley — [in February killed a Senate effort to explicitly outlaw the unregulated machines](#), which the Missouri Highway Patrol had already deemed illegal under current law.

Torch faces a number of legal headaches, including a lawsuit by a disgruntled Crawford County gambler [who wants his money back](#), and a [lawsuit by the Sullivan owner of coin-operated game](#) company TNT Amusements, who accuses Torch of damaging his business at a truck stop in Cuba. [Linn County Prosecuting Attorney Shiante McMahon in January](#) charged Torch with promoting gambling in the first degree, a class E felony that carries a \$10,000 fine if convicted.

McMahon said Tuesday that Chariton County Associate Circuit Judge Andrea Vandeloecht last week dismissed without prejudice the case against Torch, not finding probable cause on the counts as charged. McMahon said she planned to refile charges in the coming days.

“I just felt that the law is what the law is and according to my read of the reports submitted by law enforcement, I have probable cause to charge it,” McMahon said.

Gregg Keller, spokesman for Torch and a Missouri-based Republican political operative, said the machines “adhere to the letter and the spirit of the law and we appreciate the Court making the same finding.”

Observers are monitoring a handful of other cases, including one in Platte County, where Prosecuting Attorney Eric Zahnd [charged Kansas-based Integrity Vending with promoting gambling in the first degree](#). A trial was held Aug. 25 and Zahnd said he expects Platte County Circuit Judge Thomas Fincham to render a verdict later this month.

Missouri contributions

On July 7, the Missouri Growth PAC sent a \$10,000 check to the Mighty Missouri PAC, which supports incoming House Speaker [Rob Vescovo](#), R-Arnold.

Tony PAC, supporting state Sen. [Tony Luetkemeyer](#), R-Parkville, received \$2,500. So did the campaign account of former state Rep. [Rick Brattin](#), R-Harrisonville, who won the August GOP primary to represent a western Missouri state Senate district.

Democrats received contributions, too.

The campaign of state Rep. [Steven Roberts](#), D-St. Louis, who is poised to succeed the term-limited Nasheed in the state Senate after winning the Democratic primary in August, received \$2,500 from the PAC on July 17.

The Missouri Growth PAC reported sending \$2,500 to St. Louis Progress, a PAC supporting Roberts, on July 17; St. Louis Progress didn't report the donation in its July report, instead making note of the contribution in its post-primary report filed last week.

Rep. [Barbara Washington](#), D-Kansas City, who won the Democratic primary for a Kansas City state Senate seat, received \$2,500 on July 22, records show.

KC Neighbors for Progress, supporting state Rep. [Greg Razer](#), D-Kansas City, who won a state Senate primary, received \$2,500.

Others receiving money were the campaigns of state Rep. [Kathy Swan](#), R-Cape Girardeau; state Rep. [Jack Bondon](#), R-Belton; state Rep. [Dirk Deaton](#), R-Noel; and state Rep. [Phil Christofanelli](#), R-St. Peters.

The Old Drum Conservative PAC, supporting state Sen. [Denny Hoskins](#), R-Warrensburg, and the Team Robert PAC, supporting state Rep. [Robert Ross](#), R-Yukon, each received \$2,500.

Keller said the company did not direct the contributions. The treasurer of the PAC is Everett Tilley, who is Torch lobbyist Steve Tilley's father.

"Missouri Growth PAC is an independent expenditure committee organized" under Missouri law, Keller said in an email. "The PAC treasurer controls to whom contributions are made and in what amounts. Accordingly, Torch does not condition or earmark its contributions."

'Fleece our schools'

Hegeman, the Republican chairman of the Senate Budget Committee, placed \$150,000 in the state's budget this fiscal year for investigations into the games in question. The money was earmarked for the attorney general's office.

"My intention with the appropriation for the so-called 'grey market machines' was to ensure that consumers who do use these machines are protected from fraud," Hegeman said in a statement. "I continue to believe these machines are illegal and am hopeful the pending court case will provide clarity to the situation."

Gov. Mike Parson, a long-time friend and ally of Tilley, [cut the \\$150,000 from this year's budget](#), citing lagging tax collections due to the coronavirus. The gambling investigation money was a small fraction of the \$448 million in planned spending the governor restricted at the end of June.

Kelli Jones, spokeswoman for the governor's office, said no one lobbied Parson's office to withhold the money from gambling investigations.

Committees supporting Parson's election effort have received more than \$20,000 from Torch and its owner, Steve Miltenberger, since 2018, according to Missouri Ethics Commission records.

"I fully understand why the Governor had to withhold the funds due to COVID-19's effect on the state budget," Hegeman said. "It is unfortunate that while we make cuts to necessary funds for education, these unregulated illegal machines continue to fleece our schools of vital funding."

At least one Capitol proposal would ban any person or business convicted of illegal gaming from participating in any future regulated Missouri program.

That fact was a point of contention earlier this year when senators debated gaming legislation.

Torch has said its games are legal because players have the option of tapping an icon to view the outcome of a wager before moving forward with it, removing the element of chance.

But players aren't required to view the outcome — and even if the screen shows that a player will lose money, the player must place the losing bet in order to have a chance at winning again.

14,000 rogue machines

Missouri officials said last year there were an estimated 14,000 out-of-casino slot machines in the state, with prosecutors divided on whether to charge operators with illegal gambling because of ambiguity within current state law.

Though Senate President Pro Tem [Dave Schatz](#), R-Sullivan, said he believes the machines are illegal under current law, legislation he backed this year would tighten the definition of a "gambling device" to remove any uncertainty about the machines.

The Missouri Highway Patrol, considering the machines illegal, continues to refer cases to local prosecutors for charges.

Capt. John Hotz, spokesman for the agency, said the patrol referred 109 illegal gaming cases to local prosecutors last year, and had as of Tuesday referred 66 cases this year.

Two county prosecutors [told the Post-Dispatch last year](#) that Torch lobbyists contacted them in an attempt to clear up concerns about the legality of their devices.

Local prosecutors have largely declined to prosecute the companies and their owners.

[Ohio consumer watchdog requests utility agency review of FirstEnergy amid federal corruption investigation](#)

Ohio's consumer watchdog agency has asked the Public Utilities Commission of Ohio to investigate whether FirstEnergy and its affiliates improperly spent ratepayer money on their pursuit of a nuclear bailout bill at the center of a federal corruption probe.

Ohio Consumers' Counsel Bruce Weston has asked the PUCO to hire an independent auditor to review whether FirstEnergy or its affiliates spent restricted money from electricity customers' bills on lobbying for House Bill 6, which will charge Ohio electricity customers more than \$1 billion to subsidize two Ohio nuclear plants formerly owned by FirstEnergy.

Weston made the request Tuesday, via filings in two cases before the PUCO, whose commissioners are appointed by Gov. Mike DeWine. The PUCO is not required to respond.

PUCO spokesman Matt Schilling said other parties in the cases, which involve FirstEnergy and its finances, have the right to respond to the consumers' counsel's request.

"The commission will review all that before making a determination on how to respond to the motion," Schilling said.

But, he noted that the PUCO annually audits all money raised by riders on electricity bills to review whether utility companies spent them appropriately.

Federal charging documents allege FirstEnergy and its affiliates spent \$60 million in a bribery scheme involving former House Speaker Larry Householder to help get the bailout bill passed. Householder and company funneled money through a network of political groups that helped Householder get elected to his leadership position in the legislature, according to federal officials. He then used his position to pressure lawmakers to pass the bill and, finally, defend it against a repeal effort, federal prosecutors have said.

If the PUCO were to take up the case, it would be the third state agency to begin an investigation in response to the federal corruption probe. Ohio Attorney General Dave Yost has said he might

try to block the nuclear subsidies when they go into effect in January. Secretary of State Frank LaRose has referred 162 possible campaign-finance violations described in federal charging documents to the Ohio Elections Commission for further review.

“It’s the right thing to do,” said Ashley Brown, a former member of the Public Utilities Commission of Ohio from 1983 to 1993 and now the executive director of the Harvard Electricity Policy Group at Harvard University’s John F. Kennedy School of Government. Brown wrote a Sept. 4 op-ed published on cleveland.com, calling for a PUCO review of FirstEnergy.

“I don’t think that a diligent public utilities commission can avoid having an in-depth audit by an outside firm that looks at financial and management issues. You can’t have a functional regulatory process in the state without appropriate governance,” he said.

A spokeswoman for FirstEnergy said the company does not comment on pending litigation.

Householder and four allies — political aide Jeff Longstreth and lobbyists Neil Clark, Juan Cespedes and Matt Borges — were arrested in July and charged with racketeering. All have pleaded not guilty.

One of the cases the Ohio Consumers' Counsel filed its request in involves a special fee formerly paid by FirstEnergy customers until it was struck down by the Ohio Supreme Court last year. The court and an auditor hired by PUCO found FirstEnergy didn’t always use the fee, which cost Ohio ratepayers over \$150 million annually, for its purported purpose of modernizing its in-state power grid. But the court didn’t require the company to refund the fee, and the PUCO has said it considers the matter closed.

Weston, in the filing, said the PUCO should re-open the case involving the fee “in light of the new information alleged in the U.S. Criminal Complaint about FirstEnergy’s use of extraordinary amounts of money in its efforts for the passage of House Bill 6.”