



M U L T I S T A T E

Rudy Giuliani Associate Igor Fruman Pleads Guilty in Campaign-Donation Scheme
(Federal)

A former associate of Rudy Giuliani pleaded guilty to solicitation of a political contribution by a foreign national on Friday, nearly two years after he and his business partners [emerged as key figures in the impeachment inquiry into former](#) President Donald Trump.

Igor Fruman was a little-known Soviet-born businessman who came under national scrutiny in October 2019 when federal prosecutors charged him and others with conspiring to funnel foreign money into U.S. elections and influence American politics on behalf of a Ukrainian official.

The charges drew attention to their role helping Mr. Giuliani try to persuade Ukrainian officials to [investigate Joe Biden](#), then a Democratic presidential candidate, [and his son Hunter](#). The Bidens have denied wrongdoing.

During a hearing in federal court in Manhattan on Friday, Mr. Fruman, a 56-year-old U.S. citizen who was born in Belarus, admitted to soliciting a foreign national to make contributions adding up to more than \$25,000 in a year. Only American citizens can make political contributions in the U.S.

“I deeply regret my actions and apologize to the court,” Mr. Fruman said.

The plea agreement entered into by Mr. Fruman and prosecutors included a sentence of more than three years in prison and a fine between \$15,000 and \$150,000. It didn't include an agreement to cooperate with the government.

District Judge J. Paul Oetken scheduled his sentencing for Jan. 21.

Mr. Giuliani, the former New York City mayor who became Mr. Trump's personal lawyer, [has been under investigation](#) since at least 2019 by the Manhattan U.S. attorney's office and the

Federal Bureau of Investigation for his business dealings in Ukraine, for possible violation of federal lobbying laws. Federal agents earlier this year [executed a search warrant](#) at his New York City apartment and office.

Mr. Giuliani has denied ever serving as a lobbyist or agent of a foreign government. His lawyer called the search warrant “legal thuggery.”

Mr. Fruman and his associate, Lev Parnas, a U.S. citizen born in Ukraine, worked closely with Mr. Giuliani in his push for investigations in Ukraine, including pressing officials there [to investigate President Biden and his son](#) before he became president, according to prosecutors.

In October 2019, federal prosecutors charged Messrs. Fruman and Parnas with various election-related crimes, alleging they disguised the true source of hundreds of thousands of dollars in political donations. One contribution in question was a \$325,000 donation to America First Action, a pro-Trump super PAC. The contribution was listed as from the men’s company, Global Energy Producers, to make it seem like a successful business, when Mr. Fruman was the actual source, prosecutors said.

Another scheme alleged by prosecutors involved a recreational-marijuana business venture. Messrs. Fruman and Parnas, [working with two associates](#), Florida businessman David Correia and Andrey Kukushkin, solicited a foreign national for political donations to candidates who could help the future project. The men concealed the donor’s true identity by making the contributions in Messrs. Fruman and Parnas’s names, prosecutors said.

On Friday, Mr. Fruman admitted to soliciting a foreign national who was an experienced investor in the cannabis industry with the hope that he would invest. “At that time I had little experience in political donations,” said Mr. Fruman.

Mr. Kukushkin pleaded not guilty to the charges.

Mr. Correia pleaded guilty last year to one count of making false statements to the Federal Election Commission and to one count of conspiracy to commit wire fraud. A judge sentenced him to a year and a day in prison earlier this year.

Mr. Parnas has pleaded not guilty to the charges. Joseph Bondy, a lawyer for Mr. Parnas, said he will take the case to trial.

“[Mr. Fruman] was given a pass that doesn’t extend to Lev,” said Mr. Bondy, adding that he was unsurprised by Mr. Fruman’s guilty plea.

A trial for Messrs. Parnas and Kukushkin is scheduled for Oct. 12.

Prosecutors said Messrs. Parnas and Fruman engaged in a lobbying campaign, including raising funds for and meeting with a Republican congressman [to ask for his assistance](#) in removing Marie Yovanovitch, the U.S. ambassador to Ukraine. The efforts to remove the ambassador were, at least in part, at the request of one or more Ukrainian government officials, prosecutors said.

After their arrest in 2019, Messrs. Fruman and Parnas' paths quickly diverged. Mr. Parnas publicly broke with then-President Donald Trump and expressed willingness to work with congressional investigators, who at the time were probing Mr. Giuliani's efforts in Ukraine as part of their first impeachment inquiry into Mr. Trump. Mr. Fruman, meanwhile, remained largely quiet.

[Matlow Proposes Lobbyist Regulations](#) (Tallahassee, Florida)

At a press conference on Friday, City Commissioner Jeremy Matlow addressed the sentencing of former City Commissioner Scott Maddox and made what he called "six common-sense reforms" related to local government ethics.

Matlow said that "yesterday's sentencing of former Mayor and City Commissioner Scott Maddox and former Downtown Improvement Authority Director Paige Carter-Smith on public corruption charges marks a milestone in the history of Tallahassee City Government."

Matlow noted that end of the public corruption trial is only the beginning for those of us who fight for progress and justice in Tallahassee.

Based on a public ethics forum held last week and attended by public corruption experts, law professors, and concerned citizens, Matlow proposed six reforms.

These reforms include:

1. Closing the lobbyist loophole. We should adopt the Independent Ethics Board's recommendations to expand the definition of lobbying to include anyone who is compensated by a private interest to influence government policy. Public officials should keep contact logs from meetings with lobbyists and all agendas should disclose who registered to lobby on each item.

2. Expanding Whistleblower protections. All Employees should feel protected and safe coming forward with information. The Ethics Board should be empowered to field complaints from public employees and others who have knowledge of wrongdoing.
3. Ending no-bid contracts. Competitive-bidding is the hallmark of good public policy. Requiring two public hearings to sell off public land can help repair the City's reputation for favoritism in development decisions, and safeguard taxpayer dollars to ensure the people are always getting a fair deal when it comes to land we as a community own.
4. Banning for life anyone convicted of Honest Services Fraud.
5. A complete audit of all contracts, policies, and personnel decisions influenced by former Commissioner Maddox. We know for a fact, as reported in the Democrat, that major public agency heads were swapped out like a game by big-money lobbyists and corrupt elected officials. Companies making payments to former Commissioner Maddox continue to receive public contracts. There is no reason we cannot revisit those decisions — and to truly restore the public trust, we must.
6. A vendor Code of Ethics. Entities that receive public funding must be held to a high ethical standard. Any vendors found to use an unregistered lobbyist should forfeit any right to taxpayer dollars.

Matlow said that the proposals will be discussed at an upcoming Town Hall on this topic via Zoom on October 6 at 6 pm.

Matow concluded his remarks by saying that the “dark cloud of corruption that had enveloped Tallahassee for an entire era in local government is finally lifting. We hope you will join us in forging a brighter day at City Hall — towards a city that truly works for everyone.”

[Counties and cities spent millions to lobby legislators in 2021, despite closure of Legislative Building](#) (Nevada)

Even as the Legislative Building in Carson City remained [closed to lobbyists for the majority of the 2021 session](#), counties, cities and local government agencies spent \$2.8 million lobbying the Legislature this year, according to a report that also found local government lobbying expenditures hit their lowest total since 2005.

The [report](#), which was compiled by the state Department of Taxation in mid-July, is the product of a law requiring all local governments — from cities and counties to police departments and school districts — to disclose any expenditures above \$6,000 on “activities designed to influence the passage or defeat of any legislation.”

The funds represent expenses for in-house as well as contracted lobbyists employed by local governments, whose duties included testifying on bills, arranging meetings with lawmakers and interest groups, tracking legislation and conducting research on issues.

The \$2.8 million spent on lobbying activities in 2021 marked the first time since 2005 that spending dipped below \$3 million, and represented roughly 72 percent of lobbying expenditures [reported during the 2019 session](#).

The 2021 session kicked off in February [closed to all](#) but lawmakers, essential staff and members of the media, with all others — including registered lobbyists — participating virtually. Despite legal [challenges](#), the Legislative Building did not open to lobbyists and members of the public [until April 15](#), meaning the building was closed to lobbyists for 73 days of the 120-day session. Lobbyists were still able to meet with lawmakers via phone calls and video chats and in meetings outside of the Legislative Building.

Many local governments employed significantly fewer lobbyists compared to the 2019 session, when lobbying spending reached its highest total in more than a decade at [\\$3.9 million](#).

For example, seven paid lobbyists worked for the City of Sparks during this year's session compared to 14 two years ago. Amid that reduction, the Northern Nevada city spent \$70,000 less on lobbying during the 2021 session compared to the 2019 session.

But for other agencies, lobbying spending remained high in 2021. After spending roughly \$255,000 on lobbying expenditures during the 2019 session, the City of Henderson reported spending slightly more on lobbying expenses during the 2021 session.

Representatives of local governments, which in some cases manage [budgets that rival](#) the size of the multi-billion dollar [state budget](#), say the lobbying expenditures are justified given the vast number of bills that affect counties and cities. But some critics have raised concerns about allowing governments to use taxpayer dollars for lobbying purposes that may contradict the desires of the public — the reported lobbying expenditures from the Legislature in 2021 represent nearly \$23,400 of taxpayer money spent every day of the 120-day legislative session.

“It's political activity that the people who are being represented may or may not agree with, but they're paying for it regardless,” Michael Schaus, a spokesperson for libertarian-leaning [Nevada Policy Research Institute \(NPRI\)](#), said in an interview.

Leading the way in spending were local governments in and around densely populated Las Vegas. Agencies based in Clark County, where 73 percent of the state's population resides, accounted for 59 percent of spending on lobbying during the session. Local governments and

political bodies in Washoe County accounted for 28 percent of lobbyist spending, even though the county is home to [less than 16 percent](#) of the state’s residents.

Local governments across Carson City, Churchill County, Douglas County, Eureka County, Lander County, Lyon County, Nye County and Storey County — which are collectively home to roughly 8 percent of Nevadans — accounted for the remaining 12 percent spent to lobby Nevada lawmakers this year. Governments in the other seven counties did not report any lobbying expenditures.

Clark County Governments

Clark County, which led all local governments in lobbying outlays (\$352,000), spent roughly \$162,000 less on lobbying compared to the Legislature in 2019 and employed almost half as many lobbyists.

County spokesperson Erik Pappa wrote in an email that the county tracked hundreds of bills throughout the session, including a bill affecting short-term rental licensing (such as AirBnb or VRBO), because of the broad responsibilities of the county in implementing the requirements of new laws. That bill, [AB363](#), was amended with language provided by Clark County late in the session, and [the bill requires](#) Henderson, Las Vegas, North Las Vegas and unincorporated Clark County to include short-term residential spaces in their legal definitions of “transient lodging” — meaning they are subject to the same taxes that hotels charge guests.

Pappa also noted that only two of the county’s four requested bills survived the 2021 legislative session: [SB4](#) (clarified that the board of county commissioners may impose civil and criminal penalties for illegal possession of fireworks) and [SB67](#) (created a pilot job program to gather data on job order contracts for certain public works projects). Counties, cities and school districts each are allotted a certain number of [bill draft requests](#) each legislative session depending on their population.

The City of Las Vegas spent roughly \$335,000 on lobbying state lawmakers in 2021 (nearly \$227,000 less than the city spent in the 2019 session). Though the city had 11 lobbyists registered with the Legislative Counsel Bureau during the 2021 session — two more than in the last regular session — city spokesperson Jace Radke wrote in an email that the city spent \$181,000 for more than two dozen city staff across 19 departments to help work on bills during the session.

The city spent an additional \$154,000 on contracts with lobbying firm The Ferraro Group for the entire year. Radke also noted that the city “engaged on 552 bills throughout the session” covering a laundry list of topics.

The City of Las Vegas — alongside multiple other local governments, including Washoe County and the Las Vegas Metropolitan Police Department (LVMPD) — testified in [opposition](#) to [AB276](#) in March. The bill, which failed to pass out of committee, would have strengthened penalties for delaying or denying public records requests and aimed to increase transparency and compliance with the state’s public records law.

Schaus said the failed bill is a good example of the power imbalance that exists between local governments that have greater access to state lawmakers and citizens and activists who have to work harder to have their voices heard. Schaus pointed out that the transparency bill received support from groups with a diverse range of ideologies — including NPRI, the American Civil Liberties Union and the [Nevada Press Association](#) — but still failed in the face of opposition from local governments.

“There are going to be instances where governments’ interests don’t align with the citizen activists who might be trying to push reforms,” Schaus said. “And that government lobbying can potentially be big problems for folks who are trying to change the status quo.”

Clark County School District also significantly cut back on its lobbying efforts during the 2021 session. After spending nearly \$280,000 and employing 13 people to lobby state lawmakers two years ago, the state’s largest school district spent only \$45,000 on lobbying efforts and used two paid and one unpaid lobbyist in the 2021 legislative session.

During the session, Brad Keating, an in-house lobbyist for the district, testified in support of [SB450](#). The bill, which passed out of both houses, extends schools districts’ authority to [issue general obligation bonds](#) without voter approval to aid facility modernization projects.

Despite less lobbying spending, the district issued a [press release](#) in June stating that the 2021 session “signaled a momentous shift for education” in Nevada and highlighted [AB495](#), which allocates roughly \$500 million to public education through [new and extended mining taxes](#) and federal COVID relief dollars.

Even as overall lobbying spending declined amid the extended closure of the Legislative Building, some local governments in Southern Nevada allocated dollar amounts on par with past years.

For the second straight session, the City of Henderson spent roughly \$255,000 on lobbying, including contract expenses with [The Perkins Company](#), a firm run by former Assembly Speaker and former Henderson Police Chief Richard Perkins. City spokesperson Kathleen Richards wrote in an email that “Henderson is the largest full-service city” in the state — [providing](#)

[roughly 330,000](#) residents with standalone police, court, water and other services, unlike other jurisdictions that share resources with Clark County — and that the city tracked “nearly 500 bills” throughout the session with a potential effect on city operations.

The City of Henderson — which was [allowed two bill draft requests](#) during the session — sponsored [AB42](#), which authorized municipalities throughout the state to [conduct jury trials](#) for crimes involving battery domestic violence. Richards noted that other priority legislation tracked by the city included two bills that passed out of both houses: [AB63](#), which ensures local government can access certain stabilization funds during any emergency, and [SB138](#), which requires local governments to enact ordinances to conduct planned unit development.

Metro also maintained similar lobbying spending levels across the past two sessions. The agency spent roughly \$184,000 at the Legislature in 2019 and nearly \$182,000 at the Legislature in 2021, while maintaining a small team of lobbyists that prominently featured in-house lobbyist Chuck Callaway.

Callaway testified on a wide range of bills throughout the session, including [AB440](#) — a bill that will require police officers to simply issue citations for misdemeanors that do not constitute repeat offenses or violent crimes, rather than allowing officers to decide between detaining the offender and issuing a citation.

In June, Callaway told The Nevada Independent that he was “adamantly opposed to this bill the entire legislative session” because it strips away a police officer’s discretion. The bill passed along party lines in the Assembly and Senate, with all Republican lawmakers opposed.

Washoe County governments

Though Clark County topped the spending list for the 2021 session, the county government in Washoe — which is home to roughly 1.8 million fewer people than Clark County — spent just \$11,000 less than the county government in Clark.

Washoe County spent roughly \$341,000 on lobbying the Legislature in 2021 (\$40,000 less compared to 2019). Those costs account for lobbyists who worked on behalf of the general county government and the Washoe County Health District, and include nearly \$259,000 for employee salaries and nearly \$76,000 for contracts with outside lobbyists (Lewis Roca and Argentum Partners).

The county and health district collectively employed five lobbyists during the session, according to Legislative Counsel Bureau records — down from the seven lobbyists employed two years ago.

County spokesperson Bethany Drysdale noted that Washoe County tracked 600 bills throughout the session, three-fourths of which the county actively worked on.

Meanwhile, large city governments in Washoe County spent significantly less money on lobbying lawmakers in 2021 than they did two years prior. The City of Reno cut lobbying spending by more than \$45,000 from the 2019 session, and the City of Sparks cut lobbying spending by \$71,000 from the 2019 session.

Rural governments

Some smaller local governments also continued to spend thousands of dollars at the 2021 Legislature.

Churchill County spent nearly \$45,000 to lobby lawmakers this year — roughly \$2,500 more than the county spent in the 2019 legislative session. The county had eight outside lobbyists registered during the 2021 session, according to Legislative Counsel Bureau records; all worked at the firm Strategies 360. The county's seat, the City of Fallon, spent \$44,000 on lobbying.

And while several rural county governments completely cut spending — Storey County and White Pine County did not report lobbying expenditures in 2021, after reporting spending \$17,000 and \$14,000 respectively in 2019 — others kicked up spending. Lander County, for example, reported spending \$40,000 on lobbying at the Legislature in 2021, after reporting no lobbying expenditures during the 2019 session.

Even as spending dropped across the board during the 2021 session, Schaus said those expenses should be “extraordinarily lower” than they are.

“In today's day and age, with the technology that we have ... it does not take very much for a local government to get in contact with a lawmaker and say, ‘Hey, here's some of our interests for this session,’” Schaus said. “And that's stuff that's already taking place, even before you take into account the official lobbying costs of sending somebody off to Carson City.”

[Unregistered redistricting lobbying complaint to receive full investigation after Colorado secretary of state approves probe](#) (Colorado)

An investigation into whether a secretly funded nonprofit organization has been illegally lobbying the state's redistricting commissioners will move forward, after the secretary of state reviewed a complaint filed against the group and found enough evidence to warrant a full probe.

The decision to further investigate [Colorado Neighborhood Coalition](#), the 501c4 nonprofit organization run by longtime Republican operatives at the center of the complaint, could have broad implications for the transparency now required around the redistricting process, and comes after several efforts to influence the redistricting commissions without full transparency have emerged.

The state's inaugural independent citizen redistricting commissions are in the middle of redrawing the state's legislative and congressional maps, after the overwhelmingly voter-approved passage of the new system in 2018, which was designed to remove the process from the hands of politicians and the political class.

The [lobbying rules](#) that came with the new independent citizen commission system are also new, and designed to shed light on the once-per-decade political remapping process, which in most states is kept behind closed doors and outside public scrutiny.

The [complaint](#), filed in August by former Democratic lawmaker Stanley Matsunaka, accuses two Colorado Neighborhood Coalition employees — former House Speaker Frank McNulty and former state lawmaker Greg Brophy — of lobbying the commissioners without registering their activity or their clients. Matsunaka also accused a third Colorado Neighborhood Coalition employee, former Colorado Republican Party executive director and now political consultant Alan Philp, of failing to file proper disclosures of his lobbying activity, even though he is registered as the group's lobbyist.

The complaint cited examples of Philp addressing the commissioners, but without filing disclosures describing his interactions with them, as well as a private meeting with a congressional redistricting commissioner in May. The complaint details each interaction Philp had with the commissioners at public hearing, in addition to providing as exhibits emails that reference a lunch meeting with Alan Philp, Frank McNulty, Republican congressional redistricting commission member Jason Kelly and Alamosa County's Republican county administrator, Gigi Dennis, on May 19.

Philp characterized the investigation as politically motivated.

“Partisan Democrat secretary of state decides to move forward with a baseless complaint by partisan Democrat operatives. I’m disappointed, but not surprised,” Philp wrote in an email in response to the announced investigation.

Philp added that he believes he was told in an email by the Secretary of State's Office, after the complaint was filed, that his disclosures were sufficient. A spokesperson for the secretary of

state late Tuesday said that the secretary and deputy secretary "were not involved in the investigative phase of this complaint and have had no input at this stage."

Colorado Neighborhood Coalition is one of a handful of 501c4 nonprofit organizations that has registered to lobby the redistricting commissions. It's not required to disclose where the group's money comes from because of its special 501c4 IRS status. When 501c4 nonprofit groups spend in elections, they're called "dark money" groups.

The newly launched investigation comes after several examples surfaced this summer of efforts aimed at influencing the commission's work without full transparency or disclosure.

Democratic Secretary of State Jena Griswold's election division found that the complaint "identified one or more potential violations of Colorado lobbying laws and alleged sufficient facts to support a basis for the alleged violations," a letter detailing the initial findings explained. "The division will investigate to determine whether these alleged violations occurred."

McNulty, [the registered agent for the group](#), has previously defended the group's lobbying disclosures, as well as his and Brophy's obligation to register as lobbyists, saying he believes having Philp registered as the formal lobbyist for the organization is sufficient, even if others being paid by the group are organizing people to advocate for specific mapping approaches. Philp, McNulty said, is who directly communicates with the commissioners, even though others paid by the group are doing community outreach, education and awareness.

The complaint focuses on McNulty's earlier characterization of Colorado Neighborhood Coalition's activities, by citing the same emails referencing a lunch meeting where McNulty, Philp, Kelly and Dennis were invited, saying it's evidence of direct communication between a commissioner and McNulty. The complaint also cites McNulty's Aug. 18 testimony at a redistricting commission public hearing, saying that because he's paid by Colorado Neighborhood Coalition, his activity needs to be registered as lobbying.

Philp addressed the redistricting commissioners earlier this month, after the complaint was filed, presenting maps that Colorado Neighborhood Coalition.

Brophy also met with commissioners, during a public meeting in May, mostly to discuss his experience as a lawmaker working on redistricting 10 years ago. But during the discussion, he also discussed current mapping ideas for the congressional map. The complaint claims that, along with Brophy's encouragement to others to advocate for specific mapping ideas, qualifies as lobbying that is required to be reported.

The complaint was drafted by Mark Grueskin, a Democratic operative who himself is a [registered redistricting lobbyist](#). He also works for a 501c4 nonprofit organization, called [Fair Lines Colorado](#), which also does not disclose its donors.

The list of efforts to influence the state's redistricting commissioners under the guise of the public input envisioned in the state's new redistricting system has grown over the past several months.

In early July a longtime Democratic operative registered his consulting company as an official redistricting lobbying client after The Gazette asked about one of the agency's employees providing talking points to someone giving public testimony they claimed was their own.

Later that month, an incumbent Republican state lawmaker told supporters how to make mapping suggestions that would protect himself and other Republican incumbents, but without telling the commissioners that was the goal.

In August, the Colorado Farm Bureau proposed a legislative map to the commissioners, telling them that only their staff had worked on the maps, before later acknowledging to The Gazette that they had been helped with the maps by Colorado Neighborhood Coalition.