



M U L T I S T A T E

**Nebraska legislative lobbying compensation exceeds \$20 million** (Nebraska)

Compensation for lobbyists at the Nebraska Legislature in 2021 approached \$21 million, Common Cause Nebraska reported Thursday in its annual survey of lobbying activity at the Capitol.

The 2021 figure of \$20,789,181 in lobbying expenses to influence state government topped the 2020 figure by more than \$2 million.

Common Cause titled its report as "The Pay to Play Express: Nebraska's Runaway Lobbying Train."

Compensated lobbyists with legislative clients totaled 366 in 2021, declining slightly to 336 this year, according to the report.

Once again, Mueller Robak led the way among lobbying firms with a \$1,645,683 total compensation figure in 2021.

Rounding out the top four: Radcliffe and Associates, \$1,340,799; O'Hara Lindsay, \$903,276; Peetz and Co., \$827,100.

Among the largest spenders were Altria Client Services, the Nebraska Chamber of Commerce, the League of Nebraska Municipalities, the University of Nebraska, the Nebraska Council of School Administrators, the Nebraska Bankers Association and the Nebraska County Officials Association.

The university topped the 2021 lobbying expense list at \$180,065.

Omaha led the public school lobbying expenditure list at \$97,700 with Lincoln listed at \$21,600.

Common Cause said 16 former senators are listed as legislative lobbyists.

"When it comes to political campaign contributions, Nebraska is truly the Wild West," the report said.

"In 2012, when Nebraska's Campaign Finance Limitation Act was declared unconstitutional, we lost all control," Jack Gould, issues chair for Common Cause Nebraska, said.

"Nebraska has no contribution limits on PACs, corporations, principals, lobbyists, or even individuals.

"When Governor (Pete) Ricketts wants to support a candidate or oppose a ballot issue, he can contribute \$10,000 or \$25,000 or more without batting an eye."

In the 2018 election cycle, Gould said, "48 candidates spent \$6,489,464 running for 24 unicameral seats that pay \$12,000 per year."

"One has to wonder how important that \$20 contribution from the average citizen really is to our state officials," Gould said.

### **[New Chicago IG Asked to Investigate City Clerk Anna Valencia's Lobbying Connections](#)** (Chicago, IL)

For the first time in months, the city of Chicago has a new Inspector General, as Deborah Witzburg was unanimously approved for the position on Wednesday.

Witzburg now officially replaces former IG Joe Ferguson, who resigned in October after publicly criticizing Mayor Lori Lightfoot's administration.

One of her first acts in office will be to potentially look into City Clerk Anna Valencia's office, with Ald. Silvana Tabares asking the new inspector general to investigate allegations that the Secretary of State candidate and her husband Reyahd Kazmi violated state ethics rules.

"The City Clerk Anna Valencia really stepped out of line," Tabares said. "The public deserves to know how far and what we are doing to ensure it doesn't happen again."

Valencia's connections to her husband's lobbying have been a frequent line of attack used by fellow Secretary of State candidate Alexi Giannoulias. [Tabares has endorsed Giannoulias in the race](#) to replace current Secretary of State Jesse White, who is not seeking reelection.

White has endorsed Valencia in the election.

[Emails obtained by NBC 5](#) show that Valencia assisted Kazmi's lobbying business on several occasions.

Kazmi and Ignite Cities had received a contract to ramp up internet speeds in New Orleans, but the company was forced to withdraw amid allegations of contract-rigging.

Ignite Cities also sought a contract with the Illinois Medical District, [according to Politico](#).

In both cases, Valencia wrote emails from her city account on behalf of her husband's clients, [according to reporting done by WCIA](#).

Valencia initially amended her required statements of financial interests on March 15 after NBC 5 revealed that she did not list Monterrey Security, a company with clout-heavy city contracts, on the forms. Her husband lobbied on behalf of the company.

She also amended the forms to include two other businesses that were not listed initially, with Chicago Commons and Black Dog Corporation both added to her disclosures.

Valencia's campaign has denied any wrongdoing in the case, saying that she is not involved in her husband's businesses and that "she's shut him down any time he's even close to crossing a line."

If she were to be elected as Secretary of State, she would be in charge of the registration of lobbyists in the state of Illinois.

Meanwhile, the Chicago City Council has debated an ordinance that would prohibit the spouses or partners [of elected officials from lobbying alderpersons](#).

"Our spouses, our significant others have access to us and our colleagues that no other person has," Ald. Howard Brookins said in March. "So the undo influence – with respect to that – can be magnified tenfold."

## [Records show lobbyists donated to budget director's campaign for AZ House](#) (Arizona)

Gov. Doug Ducey's budget director is also running for the state House of Representatives.

To avoid a conflict of interest, he said he would not take donations from registered lobbyists during the legislative session.

But records show Republican candidate Matt Gress broke that promise.

His most recent campaign finance report shows about \$4,000 came from 14 active lobbyists since lawmakers convened.

Gress said individual donation dates listed in the mid-April campaign finance report filed with the Arizona Secretary of State are wrong, and he will soon file an amendment.

His campaign released a prepared statement.

"We are going above and beyond what's required under law, and have refused donations from registered lobbyists during the legislative session. Any donations we are aware of to the campaign from registered lobbyists were given before the start of the legislative session and reported when received by the campaign treasurer. We will continue to ask if a donor is a registered lobbyist whenever we are accepting donations online or in person."

The Legislature and Ducey have not yet passed a budget for the new fiscal year starting July 1.

## [A top Ducey aide raised nearly \\$13k from lobbyists whose cash he promised to shun](#) (Arizona)

When Matt Gress, the budget director for Gov. Doug Ducey, launched his campaign for the Arizona House of Representatives in December, he promised not to accept any contributions from lobbyists during the legislative session to avoid the appearance that his campaign might influence his work for the state.

His first campaign finance report in 2022 shows he did not follow through on that promise.

Between the start of the annual legislative session on Jan. 10 and March 31, Gress received 24 separate contributions from lobbyists totaling nearly \$13,000.

For the quarter, Gress reported raising \$183,000 in his bid to win the Republican nomination in District 4.

Back in January, Gress [told the Arizona Republic](#) that he would hold himself to the same standard as lawmakers, who are barred by state law from raising money from lobbyists — but not their clients — during the annual legislative session.

“While state law doesn’t require it, I’ve made the decision to adhere to the standards governing lawmakers while they are in session. Therefore, I will not be accepting campaign donations from registered lobbyists while the Legislature is in session.” Gress said.

It was seen as a way to not have any appearance of unethical behavior given said lobbyists are usually hoping to gain something in their favor — typically in the form of legislation benefiting one of their clients.

Lawmakers are currently in the middle of a budget stalemate. As Ducey’s chief budget aide, Gress plays a pivotal role in the process of negotiating a budget deal with legislators.

Gress first said in a written statement that any money received from lobbyists “were given before the start of the legislative session and reported when received by the campaign treasurer.” That, he said, includes several transactions dated on January 26, more than two weeks after session began.

However, Gress had a different explanation for lobbyist money he received two months later. On March 29 — the 79th day of the session — Gress received his largest lobbyist contribution : Arizona Public Service CEO Jeff Guldner gave Gress \$5,300, the maximum amount allowable under state law.

Gress brushed it off by saying Guldner, who is [registered as a lobbyist](#), isn’t really a lobbyist.

“He’s a leader within multiple business organizations, and the CEO of one of the largest employers in the state. No one thinks of Jeff as a lobbyist who is spending his days under the Capitol dome influencing legislation,” he told the Arizona Mirror in a text message. “The fact that he filed paperwork out of an abundance of caution doesn’t change my view.”

Guldner is one of a dozen APS executives who are registered as “authorized lobbyists” of the monopoly utility and its parent company, Pinnacle West, because they communicate with lawmakers to influence legislation on behalf of the company.

Gress said his logic also applies to David Adame, the president and CEO of Chicanos Por La Causa, who contributed \$520 to Gress' campaign on March 31. Like Guldner, [Adame is registered](#) as an “authorized lobbyist” for the company he leads.

Ducey [last month signed](#) bills that would benefit APS — [one of which](#) the utility joined with other utilities in hiring 107 lobbyists to get the bill into a law. That new law, which goes into effect 90 days after the legislative session ends, ensures APS and other regulated monopoly utilities will face no electric retail competition in Arizona.

Pinnacle West also gave Gress \$7,500 through its political action committee.

And Gress' campaign received checks from the Arizona Police Association, which supported multiple bills Ducey signed into law this year, and Southwest Gas which, like APS, lobbied for the retail competition bill to pass.

A decade ago, Gress would have been required to resign from his government job in order to run for office. But that law was changed in 2012 to allow government employees to continue cashing taxpayer checks while seeking public office.

Attorney Tom Ryan called it “shameful” and “disgusting” that Gress continues to work on the Ninth Floor while seeking a seat in the Arizona House.

“Arizona has gutted many of its conflict of interest laws and, supposedly, people will act out of selflessness and will act in the best interest of the state of Arizona. But as we can see, that's simply not true,” he said, pointing to a [recent study](#) showing Arizona among the worst states for government corruption.

He said Gress' campaign finance report shows that the Republican was lying about not taking lobbyist money during the session.

“He's supposed to be supporting and pushing the governor's agenda on a budget. It's just vile and disgusting,” Ryan told the Mirror.

While Ryan said receiving the money during the session poses a problem in itself — especially since Gress said he wouldn't do that — he found it more troubling that Gress has mounted a campaign for the legislature while working in the Governor's Office.

Lobbyists giving Gress money for his campaign aren't doing so out of the goodness of their heart, Ryan said.

"What he's doing is lying to the Arizona public. The question is, will people in his legislative district understand that or not? But he's clearly lying about not accepting money from lobbyists," Ryan said.

### **Lobby ordinance needs revision to cover virtual meetings** (Austin, TX)

City auditors have found that, while the city's registered lobbyists are largely complying with city regulations, there is one significant gap in the reporting requirements. Although lobbyists are required to report their in-person meetings, no such requirement exists for virtual meetings, [according to a report](#) discussed at last week's City Council Audit & Finance Committee meeting.

Andrew Scoggin, the senior auditor who made the presentation, told the committee his office reached out to three departments and nine Council offices, trying to determine whether the city has an overall strategy for tracking virtual meetings with lobbyists. They concluded there was none. Some offices use an electronic form while others use the electronic calendars to keep up with virtual lobbyist meetings, but nothing in city code requires either the lobbyist or the person being lobbied to keep a record.

Scoggin said both Dallas and San Antonio require reporting of virtual meetings. Mayor Pro Tem Alison Alter said Council Member Leslie Pool, who did not attend the meeting, was working on a revision to the ordinance that would include reporting virtual meetings. (Pool brought forward the last lobbyist registration ordinance.)

According to the report, auditors randomly sampled 11 percent of 115 lobby registrants and assessed their compliance for registration filings in 2021 as well as quarterly activity reports for July and October 2021 and January 2022. Only 97 lobbyists were registered as of May 3. City Auditor Corrie Stokes told the Austin Monitor that the number of lobbyists fluctuates quite a bit throughout the year, which accounts for the drop in number.

Auditors reported that 12 of the 13 registrants' filings looked at were compliant with the city's legal requirements. However, one lobbyist, who was not named, "was assessed three \$50 late fees, but should be assessed five late fees for their July 2021 report. Staff in the City Clerk's office said they ran into multiple technical issues while implementing" the new electronic filing system. They told auditors technical issues resulted in the office being unable to assess the correct number of late fees.

The clerk's office had not encountered the same issue in subsequent reporting periods. Auditors concluded that the new e-filing system "appears to provide added assurance that lobbyists comply with requirements, although late fees are issued manually." City clerk staff told auditors they would continue applying late fees manually to avoid any technical issues.

The final issue was what to do about people who are lobbying but have not registered with the city and paid their fees. Stokes said that anyone who becomes aware of unregistered lobbying may file a complaint with her office. The auditor's office maintains a hotline for complaints, which generally address fraud, waste and abuse. However, she said auditors can also handle complaints about unregistered lobbyists.

Council Member Kathie Tovo approved of that idea, adding, "If members of the public or members of Council are aware of individuals who are not registered, we can send those individuals' names on to you."

### **Governor vetoes bill tweaking campaign finance law** (Mississippi)

The way Mississippi holds its politicians accountable for skirting state campaign finance laws is convoluted with large gaps in the enforcement process. And it appears that won't change anytime soon.

Gov. Tate Reeves recently vetoed legislation that would have transferred the power to levy fines against candidates who fail to file campaign finance reports on time from the state Ethics Commission to the Mississippi Secretary of State's office, which helps administer elections.

"The potential for abuse of power by the eight member Ethics Commission is far less when juxtaposed with a single elected official who could seek to unscrupulously weaponize the power to further his political ambitions," Reeves wrote in his veto message.

Mississippi law requires candidates running for state office to list campaign donations and expenditures over \$200 in a report with the Secretary of State's office. But if candidates file that form late or don't file it all, they could get slapped with a hefty fine.

The snag in the current process is that it forces three different state organizations – the Secretary of State's office, the Attorney General's office and the state Ethics Commission – to share responsibilities for issuing fines, leading to a confusing process.

This system has led to real money from candidates going uncollected. A [Daily Journal analysis](#) in 2021 found that Mississippi candidates owed nearly \$150,000 in unpaid fines related to campaign finance reports.

Republican Secretary of State Michael Watson, a Republican, is the state's chief elections administrator. He said in a statement that it was unfortunate the governor vetoed the legislation because the reform was needed to streamline the enforcement process.

"I believe we should return the penalty assessment power back to an elected official accountable to the public on Election Day, not an administrative body," Watson said.

Within five days of a reporting deadline, Watson's office compiles a list of those who have not filed, notifies them of their failure, and sends the list to the Ethics Commission.

The Ethics Commission only begins issuing fines on the 10th day after the report is due. An additional \$50 fine is added per day the report is late, up to a maximum fee of \$500. The commission can waive a fine if the person couldn't file due to a severe health issue or similar unforeseeable problem. Fine payments are deposited into the state's general fund.

The Ethics Commission is supposed to send the Mississippi Attorney General's Office a list of people who have not paid their fines after 120 days, and the AG can file a lawsuit "to compel payment," according to the law.

Tom Hood, the director of the state Ethics Commission, declined to comment on the governor's veto, but he told the Daily Journal last year that he had not sent the AG's office a list of candidates recently because the commission voted to delay issued fines for violations during the pandemic.

It's unclear if the commission has sent the AG's office a recent list of candidates who have failed to file a report.

State lawmakers could vote to override the governor's veto the next time they convene.

### [\*\*Supreme Court denies former top KY Dem's request to overturn campaign finance conviction\*\*](#) (Kentucky)

The United States Supreme Court has denied Jerry Lundergan's request to overturn his conviction for illegally funneling \$200,000 to his daughter's 2014 political campaign. The former Kentucky Democratic Party chair was convicted in 2018 for the contributions made

through a corporation to daughter Alison Lundergan Grimes in her 2014 challenge against Sen. Mitch McConnell. Grimes, a Democrat, was a two-term secretary of state serving from 2012 to 2020. Lundergan's petition argued that the federal ban on corporate contributions is unconstitutional when applied to contributions from a close family member.

The former state Democratic leader lost his case in the U.S. 6th Circuit Court of Appeals.

The Supreme Court denied the petition in a one sentence letter to the clerk of the U.S. 6th Circuit Court of Appeals with no explanation as to why – common practice for the nation's high court in such cases.

Lundergan's legal team included veteran Supreme Court attorney Kannon Shanmugam, who has argued more than 30 cases before the Supreme Court and whose name has been floated for openings on the nation's highest court. Frankfort attorney J. Guthrie True, longtime lawyer for Lundergan, was the only Kentucky attorney on the case.

Observers said that the petition, if accepted, had the potential to loosen legal restrictions on campaign finance laws nationwide. Rick Hasen, professor and Co-Director of the Fair Elections and Free Speech Center at the University of California, Irvine, called it ["catnip for some of the more anti-regulatory justices."](#)

Lundergan reported to the federal prison camp in Ashland Nov. 10 of last year after the U.S. 6th Circuit Court of Appeals upheld his conviction.

True filed a motion in January seeking compassionate release for Lundergan based on his health problems and the threat of contracting COVID-19 in prison. Several factors, including his age, obesity and respiratory illnesses make Lundergan particularly vulnerable to COVID-19, the motion said.

Lundergan has a history of colon cancer, mental illness and several other ailments, according to the motion. He also suffered a stroke last August. Doctors concluded it was his second stroke, with the first one going undetected, the motion said.

True also pointed to Lundergan's record of charitable giving and community service. The motion said Lundergan has sponsored the Salvation Army's Thanksgiving dinner in Lexington for more than 30 years; donated time and resources to provide Christmas dinner for University of Kentucky men's basketball Coach John Calipari's foundation, which serves underprivileged elementary-school children; and made a "significant" contribution to the Red Cross after the deadly tornadoes in Western Kentucky last December, after he'd already gone to prison.

True asked U.S. District Judge Gregory F. Van Tatenhove to release Lundergan to home confinement for the rest of his sentence.

Van Tatenhove entered an order on the request on Feb. 28, but it is sealed, so the ruling is not publicly available.

The federal Bureau of Prisons continues to list Lundergan as an inmate at the Ashland prison, with a scheduled release date of May 26, 2023.

True has yet to respond to a request for comment from the Herald-Leader about next steps, if there are any, in Lundergan's case.