



M U L T I S T A T E

### [A Third Member of the Cincinnati City Council Is Charged With Corruption](#)

For Cincinnati, it's been a one-two-three punch.

The first blow came in February when Tamaya Dennard, the president pro tem of the Cincinnati City Council, was [arrested and charged](#) with accepting \$15,000 in bribes in exchange for a vote on the Council. She [pleaded guilty](#) in June and faces up to 20 years in prison when she is sentenced in federal court next week.

The second landed last week when Jeffrey Pastor, another member of the City Council, was [charged with taking \\$55,000 in bribes](#) in return for promising to help city development projects, including the redevelopment of a downtown building. Mr. Pastor has pleaded not guilty and has resisted calls to step down.

Then, on Thursday, Alexander Sittenfeld became the third member of the City Council charged with corruption when he was arrested at home and [charged with taking \\$40,000 in bribes](#) while promising to “deliver the votes” for the same downtown development project that Mr. Pastor was involved in, federal prosecutors said.

The charges against a third member of the nine-person Council stunned local political leaders and reinforced what federal prosecutors have called a “culture of corruption” that has undermined trust in City Hall.

“The citizens of Cincinnati have to be wondering right now: How can that trust be restored when one-third of City Council has been arrested this year for bribery and extortion and honest services cases?” Chris Hoffman, the special agent in charge of the F.B.I.'s Cincinnati field office, said at a news conference on Thursday.

In a [statement](#) on Friday, Mr. Sittenfeld vowed to fight the charges.

“I am innocent,” he said. “The allegations against me are simply not true. The attempt to portray proper assistance to a project bringing jobs and growth to our city that benefits the public is a gross overreach and an injustice.”

But the case against him immediately upended Cincinnati’s political pecking order.

A Democrat who is known as P.G., Mr. Sittenfeld lost to former Gov. Ted Strickland in the 2016 Democratic primary for U.S. Senate, but was considered a promising candidate for mayor next year. A graduate of Princeton University who was awarded a Marshall Scholarship to attend graduate school at Oxford University, he was first elected to the City Council in 2011 and was Cincinnati’s top vote-getter in the two most recent citywide elections, according to his Council biography.

“He was the bright young boy wonder of Cincinnati city politics with the Ivy League pedigree and the old money family,” said David Niven, an associate professor of political science at the University of Cincinnati. “This was not a local pol who everyone expected was mixed up in the seedier side of politics.”

Prosecutors said Mr. Sittenfeld had accepted six checks totaling \$40,000 from federal agents posing as real estate investors and had stashed the money in a political action committee that he secretly controlled.

According to a six-count indictment, Mr. Sittenfeld accepted the bribe money in 2018 and 2019, while promising to “deliver the votes” and perform other official acts for the downtown development project, which needed City Council approval.

The case began in 2018 when Mr. Sittenfeld asked for money from Chinedum Ndukwe, a former player for the Cincinnati Bengals, whom Mr. Sittenfeld knew was actively seeking an agreement with the city to develop the project and had been unsuccessful in his attempts, prosecutors said.

Mr. Sittenfeld did not know that Mr. Ndukwe was already cooperating with the federal authorities on the investigation that would lead to bribery charges against Mr. Pastor, a Republican.

At a meeting in November 2018 set up with Mr. Ndukwe’s help, Mr. Sittenfeld went for lunch at a downtown Cincinnati restaurant and indicated to undercover agents that he would shepherd votes for the real estate project, prosecutors said.

He presented voting data showing that he was politically popular in Cincinnati and said he was likely to be the next mayor, according to prosecutors.

“I can move more votes than any other single person,” Mr. Sittenfeld said, according to the indictment. On another occasion, in December 2018, he said, “Don’t let these be my famous last words, but I can always get a vote to my left or a vote to my right,” according to prosecutors.

Over the next several months, prosecutors said, Mr. Sittenfeld told undercover agents that he was continuing to pressure officials to support the project.

David M. DeVillers, the U.S. attorney for the Southern District of Ohio, said prosecutors did not believe that Mr. Pastor and Mr. Sittenfeld were working together, even though their cases both involved Mr. Ndukwe as a cooperating witness.

Mr. Sittenfeld was charged with two counts each of honest services wire fraud, bribery and attempted extortion by a government official, prosecutors said. He pleaded not guilty in federal court in Cincinnati on Thursday and was released without cash bond. His lawyer, Diane Menashe, declined to comment.

Political leaders expressed outrage at the charges, saying they had badly damaged public confidence in local government. Mayor John Cranley, a Democrat who must leave office next year because of term limits, called on Mr. Sittenfeld to resign and urged new candidates to get involved in city politics.

“With three Council members arrested, it’s hard not to argue there’s a culture of corruption problem on City Council,” he told reporters. “We need to clean house and change it.”

Drawing a distinction between the two previous corruption cases and the one against Mr. Sittenfeld, Mr. Cranley said that while Mr. Pastor and Ms. Dennard, a Democrat, appeared to be “desperate for money,” Mr. Sittenfeld seemed driven by the “accumulation of power.”

Alex Triantafilou, the chairman of the Hamilton County Republican Party, said leaders of both parties needed to come together “to root out bad actors and restore faith in our city.”

“This City of Cincinnati has now been brought to its knees,” he wrote on Twitter. “We need drastic reform unlike anything we’ve ever seen in the history of this city. The voters of this city must make serious changes in 2021 and they need to understand how truly broken City Hall has become.”

**[JCOPE Publishes Changes to New York State Lobbying Regulations](#)**

The Joint Commission on Public Ethics (“JCOPE”) released another round of proposed rulemaking to clarify its lobbying regulations, as published in the New York State Register on November 10, 2020. This comes a few months after opening the rulemaking to public comment in July. Now that the proposed changes have been officially updated, the public is again allowed to provide comments for another 45 days.

The initial lobbying regulations went into effect in January 2019. After hearing some criticism, JCOPE is now clarifying some of the requirements through amendments concerning (1) “source of funding” requirements; (2) the definitions pertaining to “Direct” and “Grassroots” lobbying, (3) who should be registered as a lobbyist if participating in a “Lobby Day” on behalf of an organization, and (4) how Coalitions must file their reports.

### *Source of Funding*

Source of funding requirements pertain to clients who retain outside lobbyists and are required to file Client Semi-Annual reports in January and July. As part of this filing, these clients are required to disclose the source of the funds used to pay their outside lobbyists. The proposed changes clarify the definition of these “contributions,” which are intended to fund the client’s lobbying activities in whole or in part. JCOPE states that a “contribution” shall not mean the following:

- A payment in exchange for goods or services rendered or delivered directly to the individual or entity making the payment, and
- A payment that is earmarked and conditioned by a payor that it may be used only for a specific purpose other than lobbying activity in New York state and is thus maintained in a separate bank account and otherwise unavailable for general operating expenses. It is not sufficient for a payor to merely restrict the use of the funds for lobbying activity in New York state; to qualify for this exception, the payment must be earmarked for its specific purpose.

### *Defining Direct and Grassroots Lobbying*

JCOPE has also proposed changes in an attempt to clarify the growing use of social media as part of Grassroots Lobbying campaigns. When contact occurs through an organization’s social media account, such activity is reportable “Lobbying Activity” by the organization but it does not need to list an individual lobbyist. Moreover, when an individual initiates contact with a public official through their personal social media account, this activity is not considered reportable lobbying activity unless such individual is specifically retained by a client for such social media activity.

## *Requirements for Lobby Day*

Organizations expressed concern related to the registration requirement of their employees by their mere attendance at a “Lobby Day,” noting the administrative burden this could place on organizations hosting these events. According to the proposed language, JCOPE would now only require the registration of individuals who speak to public officials at a Lobby Day on behalf of their organization and further clarifies that mere attendance by an employee or a volunteer does not require that individual to register as a lobbyist.

The initial lobbying regulations allowed Coalitions the freedom to determine whether to file as a Coalition or have each individual member include their own activity on their own reports. The proposed changes intend to provide more guidance on how a Coalition should report its activity by establishing an objective standard. If adopted, a Coalition that meets the proposed standard for a “Structured Coalition” by having a President, Treasurer, or someone acting in that capacity must register and report as a Coalition.

For a more detailed look at JCOPE’s amendments, please visit [pgs. 11-12](#) of the NYS Register published on November 10, 2020.

## **[Newsom’s French Laundry dinner shows how lobbyists get access to power in Sacramento](#)**

When he dined at the French Laundry in Yountville this month, Gov. Gavin Newsom enjoyed not only fine cuisine at a three-star Michelin restaurant, but also the company of several influential figures with regular business before his administration.

The event, since it was [first reported by The Chronicle](#), has highlighted the close ties and revolving door of government that make Sacramento turn, frustrating those who can’t be in the room where it happens.

Jason Kinney, a longtime friend and political adviser to Newsom whose birthday he was celebrating at the dinner, is a partner at the lobbying and consulting firm Axiom Advisors. Formed following Newsom’s election in 2018, the company has [pulled in](#) nearly \$11 million from dozens of powerful clients, ranging from the construction industry to Facebook and Netflix.

Photos of the dinner [published](#) last Tuesday by the Fox television station in Los Angeles also show Dustin Corcoran and Janus Norman, the chief executive officer and the top lobbyist, respectively, for the California Medical Association, which represents doctors at the state Capitol.

The blurred lines between personal relationships and professional influence are not illegal nor unique to Newsom. For decades, California politicians have cycled through campaigns, administration posts and lobbying gigs where they cash in on those connections. During Gov. Gray Davis' tenure, his fundraiser Darius Anderson opened the [hottest new lobbying shop](#) in town, and when Davis was replaced by Gov. Arnold Schwarzenegger, a firm founded by his campaign manager, Bob White, [gained](#) enormous influence.

But the dinner provided the public with a stark look at what is often an amorphous sense of the role of money and influence in politics, said Jessica Levinson, a professor at Loyola Law School and former president of the Los Angeles Ethics Commission. It's the kind of moment that can leave people disillusioned with government and feeling as though they lack true access to their representatives.

"Connections are currency and currency is power," Levinson said. "It's the equivalent of a big sign to the public that says, 'You're not welcome at this table.'"

Newsom [apologized Nov. 16 for attending](#) the dinner party, acknowledging it was a "bad mistake" and emphasizing that Kinney has been a friend for almost 20 years. A spokesperson for Kinney referred back to his original statement calling the event an intimate dinner "with family and a few close friends." A spokesperson for the California Medical Association declined to discuss the role that personal relationships play in the organization's advocacy.

"Governor Newsom has been successful throughout a two-decade-long public career because he makes decisions in the interest of the public good," Nathan Click, communications director for the governor, said in a statement. "For him, it's all about good public policy, and he's never hesitated to say no to organizations and individuals he has long relationships with when their priorities run counter to the public good."

Critics who have felt their agendas stymied at the Capitol immediately jumped on the party as a symbol of what's wrong with the system.

Consumer Watchdog, an advocacy group that has been locked in a long-running battle with doctors over the limit for medical malpractice settlements, [called on](#) Newsom to meet with one of the patients supporting their 2022 ballot measure to raise the compensation cap. Their requests for a meeting with the governor have been denied twice in the past year, the group said. The opposition campaign to that initiative, which is funded primarily by the medical association, has [paid](#) Axiom Advisors at least \$95,000 so far this year.

Kinney has attracted particular attention because he wears so many hats around Sacramento.

A former speechwriter for Davis and strategist for the Democratic caucus of the state Senate, Kinney continued to advise Newsom even as his list of lobbying clients grew. He served as a spokesperson for Newsom's 2016 initiative to [legalize recreational marijuana](#) and led his transition into the governor's office two years ago. Another Kinney firm, California Majority Group, [received](#) \$50,000 earlier this year to work on the campaign for an [unsuccessful school bond](#) backed by the governor.

Kinney, who is not registered to represent the California Medical Association, became a poster boy for the type of shadow influence that pervades Sacramento when he was [fined](#) by state regulators in 2013 for lobbying without registering.

Environmental groups frustrated by Newsom's hesitation to curb oil drilling in the state, [despite his rhetoric](#) about a "climate damn emergency," have noted that Axiom represents two major oil-industry clients, including Aera Energy, a Bakersfield-based oil exploration company jointly owned by Shell and ExxonMobil. Christina Sistrunk, the president and CEO, was [appointed](#) to Newsom's economic recovery [task force during the coronavirus pandemic](#).

Kassie Siegel, director of the Center for Biological Diversity's Climate Law Institute, said her organization has tracked nearly 1,000 state [permits](#) issued to Aera this year to drill new wells or rework existing ones. That includes dozens of permits for hydraulic fracturing, or fracking, the controversial well stimulation method that involves injecting fluid at high pressure into the ground to loosen natural gas or oil deposits and which releases large amounts of greenhouse gases. Since California ended a [nine-month pause](#) on new fracking permits in April, Aera has received 48 of the 68 approved permits; among 57 denied applications, only 3 are from Aera.

While environmentalists have urged Newsom to ban fracking, just as they did his predecessor Gov. Jerry Brown, the governor [punted the issue to the Legislature](#) this fall.

"Is he going to stand up for Californians, or is he going to keep partying with his oil industry lobbyist friend and exposing people to pollution?" Siegel said.

Some in the cannabis industry are also disheartened by the Newsom administration's lax enforcement against another Axiom client, Weedmaps, the online marijuana shop directory and marketplace that has repeatedly come under fire for advertising unlicensed dispensaries. Jerred Kiloh, a dispensary owner in Los Angeles and president of the United Cannabis Business Association, said Weedmaps has undermined the legal market Newsom helped create by giving a platform to underground competitors that can charge lower prices.

Newsom's office said it used a [new law](#) giving regulators the ability to fine unlicensed operators up to \$30,000 per day, to force Weedmaps to [commit](#) last year to purging unlicensed advertisers from its site.

But complaints [persist](#) that illegal sellers on the site are using fake license numbers or falsely portraying themselves as a different type of business. Kiloh questioned whether Kinney had persuaded Newsom not to ramp up pressure on Weedmaps to better police itself.

“This is the lowest-hanging fruit for enforcement,” Kiloh said. “I don't understand why a government wouldn't try to stabilize the industry for this new emerging taxpayer, especially when the head of the snake is so obvious.”

Nevertheless, even those with a close relationship to the governor don't always get their way.

The California Medical Association, a persistent power player in Sacramento, operates in some of the same political circles as Newsom. Jim DeBoo, who lobbies for the organization, is another political adviser to the governor who worked on the failed school bond campaign this year. At least two [staff members](#) in Newsom's office are former lobbyists for the medical association: chief deputy legislative affairs secretary Stuart Thompson and chief deputy appointments secretary Morgan Carvajal.

But in September, Newsom signed a bill granting nurse practitioners authority to [practice without a doctor's supervision](#) — a proposal the medical association fought against for nearly a decade and that sat at the top of its kill list this session.

### **[Inglewood caps campaign contributions at \\$100,000 to avoid new state law](#)**

Inglewood will not follow a new state law limiting local campaign contributions to \$4,700, instead opting for a cap 21 times higher than what a state senator can accept from a single source.

The Inglewood City Council voted unanimously Tuesday to set the city's contribution limit at \$100,000, one of the highest caps in the state. The city of roughly 110,000 residents previously had no limit, but a new state law, [AB 571](#), taking effect in January forces cities and counties to adhere to the limits set for state legislators unless they establish their own law first.

Thad Kousser, chair of the department of political science at UC San Diego, called Inglewood's limit “astronomical.” The median contribution limit for a city in California was \$500 in 2016,

according to a report by California Common Cause. The limit for state candidates is already much higher than most cities with limits allow.

“California’s voters, through Prop. 34, set these limits at a level that is now \$4,700 for a candidate for state Senate, whose district contains nearly 1 million residents,” Kousser said. “Residents of Inglewood might reasonably ask whether their city’s limits should be at or below those limits, rather than more than 20 times higher, when the size of their districts and typical campaign costs are much lower.”

At the meeting, Inglewood Mayor James T. Butts Jr. said he supports the higher limit because it allows a candidate to compete against political action committees, which are not bound by contribution limits due to the federal Supreme Court’s ruling on Citizens United. PACs are independent entities that legally cannot be controlled by a candidate, though a PAC can independently spend its money to support, or hurt, someone running for office.

“We had an election where someone spent over \$1.25 million on a candidate and they could have done that through a political action committee,” Butts said. The \$100,000 limit allows candidates to stay independent without becoming beholden to corporations, he said.

Butts was referring to the [2018 mayoral race](#), where Madison Square Garden Co. and the Los Angeles Clippers used the city’s lack of a contribution limit to wage [a proxy war](#). MSG backed Butts’ challenger, Marc Little, with more than \$600,000 in direct contributions and enlisted additional donations from allied companies and celebrities. Meanwhile, Butts received roughly \$300,000 in support via an independent committee funded by Clippers’ owner Steve Ballmer. MSG had previously supported Butts in prior elections.

The three other candidates in the mayoral race each raised less than \$10,000.

MSG and Ballmer were battling over a proposed Clippers arena that threatened to take business away from The Forum, which was then-owned by MSG. The New York-based company later sold the concert venue to Ballmer, dropped the lawsuits stalling the arena and left the city altogether.

### *Most cities had no limit*

Roughly 78 percent of California cities did not have contribution limits in 2016, according to a report by California Common Cause. Of the 124 cities and counties with limits in place, only one allowed contributions above \$4,700.

Assemblyman Kevin Mullin, D-South San Francisco, authored AB 571 to “curtail out of control fundraising and spending on local elections,” he said. The state’s cap is adjusted for inflation every other year.

However, AB 571 does permit cities to legally set a limit that differs from the state.

“While it didn’t make sense for local races to have larger limits than races involving members of the California Legislature in a state with the fifth largest economy in the world, I did want to reserve a certain amount of local control and allow local jurisdictions to decide for themselves if they wanted to go higher or lower and let the local political process unfold accordingly,” Mullin said.

Sean McMorris, a campaign finance consultant for California Common Cause, said the language giving leeway to cities to make their own limits was necessary to get the bill passed. Other attempts without the local control element were unsuccessful, he said.

“Now that is is passed, it can be amended,” McMorris said. “If cities like Inglewood abuse it like this, it may be enough ammo for some legislators to go back. This is not the spirit of the law; clearly some cities and counties are taking advantage of this.”

McMorris said he had never heard of a city with a \$100,000 limit. Other cities, including [Carson](#) and [Riverside](#), have interpreted AB 571 to allow them to pass ordinances formally setting “no limit” for campaign contributions.

“Campaign finance is a constant game of cat and mouse. As soon as states and cities institute campaign finance laws, bad actors try to circumvent them,” McMorris said. “They’re essentially rolling out the red carpet for moneyed interests and saying we don’t care what anyone thinks.”

Still, McMorris said he views AB 571 as a win, even if some cities opt for “egregious” limits. The Fair Political Practices Commission provides enforcement and covers the costs for the cities and counties that decide to accept the state’s limits. But those that set their own limits will not get support from the FPPC.

“Most cities will just adopt the state donor limits, which is a good thing,” he said.

### *How Inglewood compares*

Locally, Inglewood’s limit is magnitudes higher than Los Angeles County’s other largest cities. Burbank caps contributions at \$500, Torrance at \$1,000, Long Beach at \$400, and Los Angeles

at \$800. Other major cities, including San Diego and San Francisco, have caps that are less than \$1,000.

In an email, City Manager Artie Fields said Citizens United gave “unions, lobbyists, corporations, and other non-resident entities that bundle contributions, overwhelmingly disproportionate power and weight to determine the outcomes of local elections.”

“The issue of limits is one of philosophy,” Fields wrote. “Do we want elected officials to be independent when they campaign, or do we want special interest groups to control the financing of elections? We choose independence.”

As home to two NFL teams and soon to an NBA franchise, Inglewood is not an “average mid-size city” and should not be compared against its peers, according to Fields. Outside entities will attempt to control Inglewood’s government as the city flourishes, he said.

“The \$100,000 cap on contributions allows a candidate equal footing with the Board of Directors of corporations, as well as millionaires and billionaires to finance expensive campaigns,” he said.