

POLITICAL LAW AND GOVERNMENT ETHICS NEWS

**House Issues Guidance On
Member Participation At
Convention Events..... 1**

**Lessons For Lobbyists:
Reporting..... 1**

Notes From The Hill..... 2

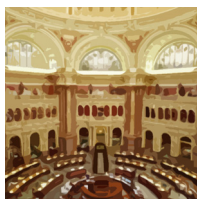
**Pointers For PACS: 2008
Election Dates..... 3**

FEC Briefing..... 6

Special Elections..... 9

Updates From The States..... 10

**Akin Gump's Political Law
and Government Ethics
Practice..... 15**



HOUSE ISSUES GUIDANCE ON MEMBER PARTICIPATION AT CONVENTION EVENTS

The House Committee on Standards of Official Conduct (Committee) issued guidance on the application of the Honest Leadership and Open Government Act (HLOGA) to members' participation at national party convention events. The new rules prohibit a member from participating in events held in their honor, other than in his or her capacity as a candidate for president or vice president, during the dates of the national party conventions if the event is directly paid for by a registered lobbyist or a private entity that employs or retains a lobbyist.

The committee clarified that the provision prohibits members from participating in events honoring a member when a lobbyist or lobbyist entity is the sponsor. However, the committee advised that events are permissible if the event is held in honor of a delegation or caucus, so long as a specific member is not named. The committee further stated that the rules apply to events that are covered during the dates of the convention, but do not include events that take place on a date other than the dates on which the convention is held. We are available to answer your questions and to assist you in planning convention events that comply with the House and Senate rules.

The Senate Select Committee on Ethics has yet to issue such guidance.

LESSONS FOR LOBBYISTS: REPORTING

The new reporting requirements under HLOGA become effective on January 1, 2008.

Semiannual Report Due on February 14, 2008

The semiannual report covering July 1, 2007, through December 31, 2007, is due on February 14, 2008. This report will be the final semiannual report filed under the old regulations. Starting January 1, 2008, all reports of income and expenses will be filed quarterly.

First Quarterly Report Due on April 21, 2008

The first quarterly report covering activity from January 1, 2008, through March 30, 2008, is due on April 21, 2008. The statute requires that all quarterly reports be filed 20 days after the close of the quarter, unless the 20th falls on a weekend. Since April 20, 2008, is a Sunday, the first report that is due under the new reporting rules is due on April 21, 2008. Please note that under the quarterly filing schedule, there are only 20 days in which to compile and file the report.

Single Filing Location for House and Senate Filings

The clerk of the House of Representatives and the secretary of the Senate recently combined their filing processes so that filings may be submitted in one location and a digital signature is not required. The new filing procedures require a Senate password to be used to submit the new registration and reporting forms simultaneously to the House and the Senate.

The new filing procedures may be used for the semiannual report due on February 14, 2008. However, the first quarterly report, due on April 21, 2008, will be required to be submitted using the new filing procedures and new versions of the forms.

Internal Policies and Procedures

The new lobbying law narrows the estimation of lobbying expenses from the nearest \$20,000 to the nearest \$10,000 and gives the comptroller general the authority to conduct random audits. In addition, registrants must certify that the gift ban was not violated by any lobbyist or any employee of a company or firm that employs lobbyists. Violations of these regulations may result in criminal penalties. Because of the increased scrutiny and penalties that will be applied to noncompliant lobbying reports filed after January 1, 2008, we recommend that registrants assess their internal policies and procedures to ensure compliance with HLOGA. We also recommend that employers of lobbyists educate all levels of staff that could have contact with federal officials or employees of both the legislative and executive branches.

For assistance educating employees on the new laws and for additional assistance assessing and updating internal policies and procedures, please contact us.

NOTES FROM THE HILL

FEC Commissioners Hans von Spakovsky, Robert Lenhard and Steven Walther were not confirmed by the Senate and the commissioners' recess appointments expired on December 31, 2007. Several Democrats placed holds on the nomination of Commissioner von Spakovsky, and Republicans placed holds on the nominations of Commissioners Lenhard and Walther. Ultimately, last minute negotiations failed. The FEC will be unable to take action on matters pending after January 1, 2008, because the FEC will lack the required four vote majority.

Trips to foreign countries in connection with the Mutual Educational and Cultural Exchange Act (MECEA) are still permissible under the new gift and travel rules. MECEA is run by the U.S. Department of State's Office of Public Diplomacy and Public Affairs. Foreign governments' MECEA agreements with the United States allow them to sponsor all expense-paid trips to their countries for the purpose of cultural exchange programs.

Sen. Jon Kyl (R-AZ) ran unopposed to replace Sen. Trent Lott (R-MS) as the new Minority Whip. Sen. Lamar Alexander (R-TN) was elected the new GOP Conference Chairman.

President Bush signed several bills into law at the close of 2007. The bills included an omnibus spending bill that will fund the federal government for the 2008 fiscal year and a bill that focuses on expanding the production of renewable resources.

POINTERS FOR PACS: 2008 ELECTION DATES

The Iowa Caucuses kick off the 2008 primary season on January 3, 2008. The chart below lists the presidential and congressional primaries according to date and is provided to assist PACs with required filings. Each state has different statutes that govern the timing and procedures for the primaries. It should be noted that the dates are tentative and may be subject to change.

2008 Presidential and Congressional Primary Dates				
	Presidential Dates		Congressional Dates	
State	Primary	Caucus	Primary	Runoff
January				
Iowa		01/03/08		
Wyoming		01/5/08 (R)		
New Hampshire	01/08/08			
Michigan	01/15/08			
Nevada		01/19/08		
South Carolina	01/19/08 (R)			
South Carolina	01/26/08 (D)			
Florida	01/29/08			
February				
Maine		02/01/08 (R)		
Alabama	02/05/08			
Alaska		02/05/08		
American Samoa		02/05/08 (D)		
Arizona	02/05/08			
Arkansas	02/05/08			
California	02/05/08			
Colorado		02/05/08		
Connecticut	02/05/08			
Delaware	02/05/08			
Georgia	02/05/08			
Idaho		02/05/08 (D)		
Illinois	02/05/08		02/05/08	
Kansas		02/05/08 (D)		
Massachusetts	02/05/08			
Minnesota		02/05/08		
Missouri	02/05/08			

2008 Presidential and Congressional Primary Dates				
	Presidential Dates		Congressional Dates	
State	Primary	Caucus	Primary	Runoff
New Jersey	02/05/08			
New Mexico		02/05/08 (D)		
New York	02/05/08			
North Dakota		02/05/08		
Oklahoma	02/05/08			
Tennessee	02/05/08			
Utah	02/05/08			
Hawaii		01/25/08-02/07/08 (R)		
Guam		02/09/08 (R)		
Kansas		02/09/08 (R)		
Louisiana	02/09/08			
Nebraska		02/09/08 (D)		
Virgin Islands		02/09/08 (D)		
Maine		02/10/08 (D)		
District of Columbia	02/12/08			
Maryland	02/12/08		02/12/08	
Virginia	02/12/08			
Hawaii		02/19/08 (D)		
Washington	02/19/08			
Wisconsin	02/19/08			
American Samoa		02/23/08 (R)		
Virgin Islands		02/23/07 (R)		
Puerto Rico	02/24/08 (R)			
March				
Ohio	03/04/08		03/04/08	
Rhode Island	03/04/08			
Texas	03/04/08		03/04/08	
Vermont	03/04/08			
Wyoming		03/08/08 (D)		
Puerto Rico			03/09/08	
Mississippi	03/11/08		03/11/08	
April				
Mississippi			04/01/07	
Texas			04/08/08	
Pennsylvania	04/22/08		04/22/08	
Washington		04/28/08 (D)		
May				
Guam		05/03/08 (D)		
Indiana	05/06/08		05/06/08	
North Carolina	05/06/08		05/06/08	
Nebraska	05/13/08		05/13/08	

2008 Presidential and Congressional Primary Dates				
State	Presidential Dates		Congressional Dates	
	Primary	Caucus	Primary	Runoff
West Virginia	05/13/08		05/13/08	
Arkansas			05/20/08	
Kentucky	05/20/08		05/20/08	
Oregon	05/20/08		05/20/08	
Idaho	05/27/08		05/27/08	
June				
Puerto Rico	06/01/08 (D)			
Alabama			06/03/08	
California			06/03/08	
Iowa			06/03/08	
Montana	06/03/08		06/03/08	
New Mexico	06/03/08 (R)		06/03/08	
New Jersey			06/03/08	
South Dakota	06/03/08		06/03/08	
Arkansas				06/10/08
Maine			06/10/08	
South Carolina			06/10/08	
North Dakota			06/10/08	
Virginia			06/10/08	
South Dakota				06/17/08
North Carolina				06/24/08
South Carolina				06/24/08
Utah			06/24/08	
July				
Alabama				07/15/08
Georgia			07/15/08	
Oklahoma			07/29/08	
August				
Kansas			08/05/08	
Georgia				08/05/08
Michigan			08/05/08	
Missouri			08/05/08	
Tennessee			08/07/08	
Colorado			08/12/08	
Connecticut			08/12/08	
Nevada			08/12/08	
Washington			08/19/08	
Wyoming			08/19/08	
Alaska			08/26/08	
Florida			08/26/08	
Oklahoma				08/26/08

2008 Presidential and Congressional Primary Dates				
	Presidential Dates		Congressional Dates	
State	Primary	Caucus	Primary	Runoff
September				
Arizona			09/02/08	
Guam			09/06/08	
Delaware			09/09/08	
District of Columbia			09/09/08	
Louisiana			09/06/08	
Minnesota			09/09/08	
New Hampshire			09/09/08	
New York			09/09/08	
Rhode Island			09/09/08	
Vermont			09/09/08	
Wisconsin			09/09/08	
Virgin Islands			09/13/08	
Massachusetts			09/16/08	
Hawaii			09/20/08	
October				
Louisiana				10/04/08
November				
American Samoa			11/04/08	
GENERAL ELECTION	11/04/08		11/04/08	

FEC BRIEFING

Federal Election Commission (FEC) Amends Electioneering Communications Regulations

The FEC issued a final rule with Explanation and Justification (E&J) implementing the amended Electioneering Communications (EC) provisions which became effective on December 26, 2007. The regulations were amended as a result of the Supreme Court's July 2007 decision in *Wisconsin Right to Life v. Federal Election Commission*, which held that the EC ban on corporate and labor spending was unconstitutional as applied to ads that did not contain express advocacy or the functional equivalent of express advocacy.

The general definition of an EC in the FEC regulations did not change. An EC is an ad paid for by a corporation or union, mentioning a candidate, and targeted at the relevant electorate 30 days before the primary and 60 days before the general. The new rules create a general exception that permits corporations and labor organizations to make ECs "unless the communication is susceptible of no reasonable interpretation other than as an appeal to vote for or against a clearly identified Federal candidate."

The new regulations also contain a safe harbor to provide guidance regarding which ECs qualify within the general exception. The safe harbor states that corporations and unions are allowed to fund political ads in the weeks before an election if they (1) avoid references to an election, candidacy, political party, opposing

candidate or voting by the general public; (2) do not take a position on the candidate's character qualifications or fitness for office; and (3) either focus on legislative issues or propose a commercial transaction such as purchasing a book or film.

If a communication does not qualify for the safe harbor, the FEC will consider whether the communication is permissible by examining whether it includes any "indicia of express advocacy" and whether the communication has an interpretation other than as an appeal to vote for or against a candidate. In interpreting whether or not a communication is acceptable, the FEC will favor permitting the communication. The E&J provides several examples of ECs and the regulations also state that examples of permissible and impermissible communications will be available on the FEC Web site. The exception to the ban on corporate and labor financing of ECs does not apply to the reporting or disclosure requirements. All corporations and labor organizations that spend more than \$10,000 per year on ECs must file disclosure reports with the FEC.

Corporations and labor organizations interested in developing ECs that qualify for the new exception are advised to seek counsel before engaging in such activity.

Impasse on Status of Partnership as Corporation

The FEC Commissioners were unable to approve Advisory Opinion (AO) 2007-25 by the required four vote majority. Holland and Knight, a limited liability partnership (LLP) that has elected to be treated as a corporation for IRS purposes, asked whether, under FEC regulations and the Federal Election Campaign Act (FECA), the LLP would be treated as a corporation, thus allowing the LLP to administer and solicit contributions to a PAC. Under FEC regulations, only corporations, not LLPs, may establish and pay the administrative costs of a PAC, LLPs may not.

Foreign National Involvement in Campaign

The FEC approved AO 2007-22 allowing a Canadian citizen to volunteer for a candidate's campaign. FECA prohibits foreign nationals, directly or indirectly, from making contributions to federal, state and local candidates. However, FECA does not include volunteer services within the definition of contribution. For this reason, the campaign could accept the volunteer services of a Canadian citizen.

Solicitations on Behalf of Corporate PAC

In AO 2007-27, ActBlue (a nonconnected PAC) asked the FEC if they could solicit, receive and forward contributions designated for specific separate segregated funds (SSFs) under two proposed fundraising programs. ActBlue proposed to solicit the general public on behalf of specific SSFs for contributions designed for those SSFs (Program 1). ActBlue also proposed to work directly with SSFs to solicit the SSF's restricted class for contributions designated for the SSF (Program 2). While the FEC found that Program 1 is not permissible, Program 2 is permissible so long as Act Blue limits solicitations to the restricted class of the SSF's connected organization, and all costs associated with its activities when aggregated with contributions made to the recipient SSFs do not exceed contribution limits.

FECA states that an SSF and its connected organization may only solicit the restricted class of the corporation, consisting of the corporation's executive and administrative personnel, stockholders and their families. Solicitations by the connected organization and its SSF of the general public are prohibited. Entities acting on behalf of an SSF or its connected organization are similarly limited in terms of whom they may solicit. For this

reason, the FEC determined that while ActBlue could not execute Program 1 because solicitations would be made outside the restricted class, ActBlue could solicit the restricted classes of the connected organization under Program 2.

ActBlue must treat any costs associated with the solicitations as in-kind contributions since ActBlue is a nonconnected PAC. Such expenses include a portion of staff salaries and expenses for Web site development. The solicitation costs aggregated with the contribution must not exceed \$5,000 per year. ActBlue must then collect and forward the contributions, along with the contributor's name, address, date of receipt, employer and occupation, to the recipient committee within 10 days in accordance with FECA.

Federal Candidates Raise Funds for State Ballot Measure Committees

The FEC approved AO 2007-28, which allows two federal candidates to raise funds for independently run ballot measure committees in California. FECA prohibits federal candidates from soliciting funds for nonfederal elections unless the funds are raised according to federal limits and prohibitions. Although the commissioners disagreed on the rationale behind the decision, they agreed that the two federal candidates could solicit up to \$20,000 from individuals for California ballot measure committees.

527 Organization Pays \$580,000 for Failing to Register and Report

The FEC reached a settlement with The Media Fund (TMF), a 527 organization, in which they agreed to a civil penalty of \$580,000 for failing to register and disclose reports as a federal political committee.

According to FEC reports, TMF raised nearly \$60 million in receipts. The FEC found that because TMF's solicitations clearly indicated that funds would be used to defeat President Bush in 2004, the committee was required to register and report as a federal political committee.

Committees Fined for Failure to Disclose Financial Activity

In Matter Under Review (MUR) 5913, the FEC fined the International Longshoremen's Association AFL-CIO Committee on Political Education \$14,250 for failing to report nearly \$300,000 of disbursements on their originally filed reports. The PAC was required to amend several reports to include the omitted disbursements.

The Big Tent PAC agreed to pay a \$15,000 civil penalty for a series of reporting violations, which included late and chronic non-reporting and failure to file electronically after exceeding the threshold for mandatory electronic filing.

In MUR 5921, the Iowa Democratic Party agreed to pay a \$10,000 penalty for failing to disclose \$700,000 of disbursements from its originally filed year-end report.

In MUR 5909, the Arizona Republican Party received a \$7,000 penalty for failing to disclose receipts for \$230,000 in its originally filed report.

In MUR 5812, the Ohio State Medical Association Political Action Committee (OSMAPAC) agreed to pay a \$5,000 penalty for failure to disclose financial activities of over \$160,000. The omissions were a result of embezzlement activity conducted by an employee. The FEC reached a conciliation agreement with the employee who acknowledged the knowing and willful commingling of the political committee's funds with her own funds and is separately entering a criminal plea on related charges in Ohio.

In a similar case, the American Dream PAC agreed to pay a civil penalty of \$4,600 for failing to disclose financial activity, which was a result of embezzlement activity by the PAC's former treasurer in MUR 5923. The FEC reached a conciliation agreement with the former treasurer, who entered into a criminal plea agreement on related charges in 2003 in a district court.

The FEC accepted a plea agreement with the individual who acknowledged knowingly and willfully violating FECA in an embezzlement scheme in MUR 5772.

The FEC fined 185 committees for filing late reports or failing to file. The majority of the cases involved reports filed in 2005 and 2006. Civil penalties in the cases totaled nearly \$235,000.

Committee and Contributors Fined for Excessive Contributions

In MUR 5333, the John Swallow for Congress campaign committee was fined \$8,000 for receiving and failing to disclose excessive contributions. In addition, the excessive contributors were fined. The Robert Browning Lichfield Family Limited Partnership and Robert B. Lichfield were fined \$17,000 for making excessive contributions and contributions in the name of another. WinterFox LLC paid \$4,000 and WinterHawk Enterprises LLC paid \$3,500 for making excessive contributions.

Committee Fined for Inadequate Disclaimers for Telephone Banks

In MUR 5587R, the David Vitter for Senate Committee agreed to pay \$25,000 for failing to include adequate disclaimers stating that the Vitter Committee paid for two sets of telephone banks costing a total of nearly \$300,000.

Case Dismissed Regarding Communication Beyond Restricted Class

In MUR 5919, the Rhode Islanders for Jobs and Tax Relief, Inc. (RIJTR) self-reported a violation of the Federal Election Campaign Act. In the matter, an independent contractor and manager of daily operations at RIJTR sent an e-mail endorsing a candidate to approximately 17,000 employees and contacts. RIJTR quickly retracted the endorsement as soon as they became aware of the communication. The FEC dismissed the matter with respect to RIJTR and admonished the independent contractor.

SPECIAL ELECTIONS

Following the resignation of former Speaker of the House, Rep. Dennis Hastert (R-IL), a special primary is scheduled for the Illinois' 14th Congressional District on February 5, 2008. A special general will be held on March 8, 2008.

A special primary will be held in Louisiana's 1st Congressional District on March 8, 2008. The special election is being held to fill the congressional seat that will be vacated by Rep. Piyush "Bobby" Jindal (R-LA) who was recently elected the governor of Louisiana and will become governor on January 14, 2008. A special runoff is scheduled for April 5, 2008, and a special general is planned for May 3, 2008. In the event that the special runoff election is not necessary, the special general will be held on April 5, 2008.

Mississippi Governor Haley Barbour announced that the special general election to fill the seat vacated by former Sen. Trent Lott (R-MS) will be held on November 4, 2008. If necessary, a special runoff is scheduled for November 25, 2008.

Robert Wittman (R-VA) won the December 11, 2007, special general election in Virginia's 5th Congressional District to fill the seat of the late Rep. Jo Ann Davis (R-VA).

Robert Latta (R-OH) won the December 11, 2007, special general election in Ohio's 5th Congressional District. Mr. Latta will fill the seat of the late Rep. Paul Gillmor (R-OH).

UPDATES FROM THE STATES

Federal

The Civilian Agency Acquisition Council and Defense Acquisition Regulations Council issued a final rule amending the Federal Acquisition Regulation to require that companies participating in government contracts establish a written code of business ethics and conduct, begin an ethics compliance training program, and initiate an internal control system. The government will not review the plans unless a problem occurs.

Norman Hsu was indicted by a federal grand jury on charges of running a scheme that defrauded investors and used the money for political contributions. He was also charged with violating federal campaign finance law for making contributions in the name of another to several political candidates.

Alabama

In an ethics opinion, the Alabama Ethics Commission determined that the restriction on gifts and entertainment for public officials and employees applies even when a company employee is giving the gift as a friend or neighbor and not in their corporate capacity.

Alaska

An ethics reform package signed into law in July requires lobbyists to take ethics training before registering as a lobbyist. Lobbyists are required to submit a signed form verifying that they have watched the required on-line presentation.

A former Alaska U.S. House Representative was found guilty of bribery, conspiracy to commit extortion and attempted interference with commerce by extortion. The former congressman was accused of demanding and accepting at least \$2,600 from Veco Corporation executives in exchange for his support on legislation, soliciting a job for his nephew from Veco and seeking \$17,000 to pay off credit card debt. Veco Corporation was a major Alaska oil services company until it was sold in August.

A former Alaska House Speaker was sentenced to six years in federal prison and fined \$10,000 for accepting \$9,000 in bribes from the founder of an oil field service company.

Arkansas

Recent disclosure reports revealed that several companies with ties to Arkansas legislators have contracts with the state totaling more than \$700,000. A new law in Arkansas enacted in 2007 requires state agencies to disclose

all contracts entered into in the previous five years with legislators, their spouses, or businesses in which lawmakers or their spouses are an officer, director or stockholder owning more than 10 percent of the business.

California

The San Diego, California, Ethics Commission fined a registered lobbyist \$4,500 for failing to file disclosure reports on time.

The San Francisco, California, Board of Supervisors passed several ordinances affecting the city's campaign finance laws. The new ordinances increase public financing, require badges stating whether circulators of petitions are volunteers or paid, and requires those who conduct push polls and make independent expenditures for mass mailings supporting or opposing city candidates to file disclosure reports with the city.

A new ordinance in Santa Clarita, California, effective January 10, 2008, will require lobbyists to register with the city. The ordinance also contains a revolving door provision that prevents council members, commissioners and employees from serving as lobbyists within one year of leaving employment with the city.

Colorado

The mayor of the City of Denver, Colorado, issued an executive order that requires departments and agencies of the city to report all gifts of \$2,500 or more. The city already requires city employees and officials to disclose gifts.

Connecticut

The Connecticut Office of State Ethics ruled that public officials and state employees may accept special government rates offered by some large corporations and other organizations.

An individual was sentenced to 15 months in federal prison and fined \$5,000 for conspiring with a legislator to enrich her computer consulting company.

Florida

The City of Jacksonville, Florida, enacted a new ordinance that affects lobbyists, lobbyist principals and entities doing business with the city. Lobbyists, lobbyist principals, entities doing business with the city and persons subject to permit approval by an agency may not give gifts to officers and employees of the city that exceed \$250 during the calendar year or exceed \$100 per gift. Food valued at \$25 or less does not count toward the annual limit. In addition, prior to lobbying city officials, lobbyists must disclose to the city if the lobbyist has any financial interest in the contract, development or project that extends beyond the contract's approval. Finally, the new ordinance prohibits an individual who was a city official or employee to be employed by a company that has a contractual relationship with the city while the contract relationship with the city is active or within two years of the end of the city's contractual relationship. The prohibition applies when the contract exceeds \$250 and the city official had a decision-making role relating to the contract. The ordinance became effective on January 1, 2008.

City commissioners in Ft. Lauderdale, Florida passed a new ethics law. It is now illegal for city elected officials to solicit money for charities and other causes from people, such as lobbyists, who need their votes. Lobbyists are now required to disclose when an elected official violates the law. Ft. Lauderdale also recently reduced its contribution limits to commissioners and prohibits individuals from donating to campaigns under corporate names.

County commissioners in Leon County, Florida, passed an ordinance requiring lobbyists to disclose their compensation and clients before they begin lobbying on behalf of the client.

Boca Raton, Florida, adopted regulations that define a lobbyist as a person “seeking to influence the decision-making process within the city.” Individuals that meet the definition of a lobbyist must register with the city before conducting any business before the city council.

The owners of the Tampa Bay Rays (Rays) violated state gift laws when they sent jerseys, box seats and other gifts to lawmakers in the past few months. Legislators are prohibited from accepting gifts from an entity that employs a lobbyist. Although the Rays have not had a lobbyist since February, the law defines a lobbyist as anyone employed for compensation to conduct lobbying during the preceding 12 months. Therefore, because the Rays had employed a lobbyist in the preceding 12 months, they were prohibited from providing gifts.

The South Florida Water Management District now requires former agency officials who have become lobbyists to disclose whom they represent.

Georgia

A former municipal employee of Atlanta, Georgia, must pay \$2,000 for violating ethics rules that prohibit former city workers from bringing business before the municipality for 12 months after the person’s employment with the municipality ended.

Hawaii

The Hawaii Ethics Commission determined that state employees may not participate in a business entity’s appreciation day sale sponsored by a company that does business with the state. According to the Commission, it would be reasonable to infer that the discounts were made to reward or influence official action by state employees.

The Hawaii Ethics Commission told lawmakers in a confidential memorandum that invitations from an association to visit a skybox appeared to violate the state’s gift ban because it was reasonable to believe that invitations were extended to influence or reward official action.

The Hawaii Ethics Commission issued a memorandum clarifying that lobbyists, trade associations and interest groups must report expenses for “goodwill receptions” with lawmakers prior to the legislative session.

Illinois

A former Illinois governor arrived at federal prison to begin serving his six and a half year sentence for racketeering and fraud. The former governor was convicted of steering millions of dollars in state business to friends in return for vacations, gifts and other benefits. He was also convicted of defeating efforts to fight corruption and misusing state resources for political gain.

Maryland

A construction company executive was sentenced to a prison term of six and a half years and ordered to forfeit more than \$5.6 million in assets for his involvement in a scheme to bribe a former Maryland senator. The executive pleaded guilty to racketeering, conspiracy, mail fraud, filing a false tax return and bribing the former senator in return for the state senator’s assistance in public contracts. The former state senator received a seven year prison sentence and his wife was sentenced to one year and one day in federal prison. A manager and friend of the executive was sentenced to six months of home detention for his involvement in the matter.

Michigan

The Michigan Civil Service Commission approved a rule that gives state workers the right to contribute to PACs through payroll deduction. In a similar case, an Ingham County, Michigan, circuit court judge ruled that it was permissible for a school district to let its employees use payroll check-offs for contributions to union causes.

New Jersey

New Jersey recently enacted legislation that requires that lobbyists describe the particular items regarding appropriation legislation that they supported or opposed during the quarter. The first report requiring this information is due on January 10, 2008, and covers activity from the last quarter of 2007.

Trustees and officers of nonprofit groups in New Jersey received another waiver from the new state rules requiring them to publicly disclose government contracts and political contributions. The New Jersey Election Law Enforcement extended the deadline from November 30, 2007, to January 1, 2008.

New York

The attorney general launched a new Web site that allows the public to simultaneously search campaign finance, lobbying and state contracts databases. The Project Sunlight Web site is available at <http://www.sunlightny.com>.

Organizations that lobby New York City may now give elected officials free admission to events they host. Gifts to elected officials from lobbyists were banned by a 2006 law.

The Middletown Common Council in New York has temporarily suspended the requirement for city officials to file ethics disclosure forms. The Council suspended the use of the forms as a reaction to an appellate court decision clearing the former mayor of a misdemeanor criminal conviction based on information on a disclosure form he filed with the city.

North Carolina

The North Carolina Ethics Commission provided informal advice regarding lobbyists' tradition of sending season's greetings cards. The Commission advised against sending cards because the cards fit into the definition of gift and are thus prohibited.

Ohio

A Franklin County, Ohio, judge ruled Ohio's pay-to-play law unconstitutional. The judge held that the law was never properly passed by the legislature and as such is unconstitutional. The law barred contracts with vendors who contribute more than \$1,000 themselves, or gave more than \$2,000 when immediate family members and business associates were included, to public officials responsible for awarding contracts. Violation of the ban resulted in the invalidation of contracts.

A former Cleveland, Ohio, Water Department official and contractor pleaded guilty to a bribery scheme that distributed money to water department authorities. They face sentences of two years and one year in prison, respectively.

Oregon

Oregon's new lobbying law that limits gifts to public officials to \$50 per year took effect on January 1, 2008.

Pennsylvania

The mayor-elect of Philadelphia, Pennsylvania, named three veterans of the U.S. Attorney's Office to key ethics positions in his new administration. The mayor-elect stated that his appointments were indicative of his seriousness about ending the pay-to-play culture of the city.

The Philadelphia, Pennsylvania, Board of Ethics issued a new ethics ruling that prohibits members of the boards and commissions from being officers, ward leaders or committee members for political parties or participating in specific political party activity.

Rhode Island

The former House majority leader of Rhode Island pleaded guilty to two felony charges of depriving Rhode Islanders of the right to his honest services for nearly \$900,000 worth of paper and plastic bag contracts from the CVS drugstore and Blue Cross Blue Shield of Rhode Island. He admitted that money was paid to him to influence legislation on their behalf and that he failed to disclose his financial ties to the two companies. Blue Cross Blue Shield agreed to pay a \$20 million fine, but avoided criminal charges.

South Dakota

The Sioux Falls, South Dakota, City Council approved ethics reform rules that create new contribution limits and require disclosure reports.

Texas

The Austin, Texas, City Council approved an ordinance prohibiting contract applicants and lobbyists from lobbying the council, city board members and city employees during the contract procurement process.

West Virginia

In an ethics opinion, the West Virginia Ethics Commission ruled that a nonprofit group is required to register as a lobbyist before hosting a fundraiser and disclose the expenses for the event. The fundraiser is planned for Charleston, West Virginia, during the legislative session, and lawmakers are expected to attend. Previously nonprofits had been allowed to host receptions in Charleston during the session without having to register or report.

AKIN GUMP'S POLITICAL LAW AND GOVERNMENT ETHICS PRACTICE

Akin Gump Strauss Hauer & Feld LLP has long understood the importance of complying with federal and state campaign finance, lobbying and ethics laws. Because of this, Akin Gump has established and maintained a strong practice advising clients on the often complex and confusing legal and regulatory framework surrounding political activity.

The recent, explosive growth of regulation affecting campaign activity, lobbying and the interaction between the public and their elected officials requires both individuals and businesses to consider and structure their political activities carefully. No one, whether an individual, corporation, nonprofit organization or trade association, can afford to ignore the myriad regulations governing interaction with federal and state political officials. Akin Gump is committed to providing its clients with a full range of related services, and its political law and government ethics practice is an integral part of that mission.

Our services include establishing political action committees, advising on permissible corporate activity, assisting in interactions with federal and state officials, representing and defending clients before the Federal Election Commission and state campaign finance regulatory authorities, providing strategic advice for maximizing an organization's political involvement, ensuring compliance with the Foreign Agent Registration Act and the Lobbying Disclosure Act, administering both federal and state PACs, filing federal and state campaign finance reports and tax documents, and analyzing PAC employee and member participation.

Our practice represents a diverse group of individuals, donors, trade associations, corporations, grassroots groups and nonprofits. With the recent scandals and legislative and regulatory changes, the stakes are higher than ever for those engaging in political activity. Our strength is providing the legal and advisory experience necessary to champion our clients' goals while working within the confines of the complex regulatory scheme governing political activity.

CONTACT INFORMATION

If you have any questions about any of the topics in this newsletter, please contact us:

Partner	Phone	Email	Office				
Steven R. Ross	202.887.4343	sross@akingump.com	Washington, D.C.				
Associate							
Melissa L. Laurenza	202.887.4251	m Laurenza@akingump.com	Washington, D.C.				
Policy and Regulation Analyst							
Carrie M. Hoback	202.416.5153	choback@akingump.com	Washington, D.C.				
Austin	Beijing	Dallas	Dubai	Houston	London	Los Angeles	Moscow
New York	Philadelphia	San Antonio	San Francisco	Silicon Valley	Taipei	Washington, D.C.	